The Global Newspaper
Edited and Published in Paris
Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, Miami.

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

No. 32,141 26/86 ** PARIS, TUESDAY, JUNE 24, 1986 ESTABLISHED 1887

O'Neill Bars Reagan From Plea in House For Aid to 'Contras'

By Helen Thomas
United Press International

WASHINGTON — President Ronald Reagan asked Monday for permission to address the House on his request for a $100-million aid package for Nicaraguan rebels but was turned down by the speaker Thomas P. O'Neill Jr., a White House spokesman said Monday.

The spokesman, Larry Speakes said Mr. Reagan was "deeply disappointed" and surprised that his request to speak Tuesday had been rejected.

The request had been relayed through the White House chief of staff, Donald T. Regan.

The House, which has already rejected the Nicaraguan aid request once, is scheduled to begin considering Wednesday the package of $70 million in military aid and $30 million in other aid for the rebels.

Mr. Regan was told by Mr. O'Neill, Democrat of Massachusetts, that such an appearance would politicize the vote on the aid request, Mr. Speakes said.

"The president is deeply disappointed," Mr. Speakes said. "He hopes the speaker will reconsider."

He added: "The president feels strongly the need to show support for free people against totalitarianism."

Soon after Mr. Speakes revealed that the request had been rejected, Mr. O'Neill said in a statement:

"Having a president appear before only one House to lobby for a legislative proposal would be unprecedented. The only justification for such an unorthodox procedure would be if the president would use the occasion to participate in open dialogue with members of the body."

"Since future congressional action must occur in both houses, I believe that the proper forum for a formal address is the traditional joint session" of Congress, the speaker said. He said Mr. Regan had rejected an offer to have the president address a joint session.

Presidential addresses to a single house of the Congress are extremely rare, Mr. Speakes said that he had been able to find only six cases in which a president had addressed only the House, usually in war.

There is no constitutional guarantee for the president to address either chamber of Congress.

Mr. Speakes said that, in the president's view, "the issue embodies the essentials of the Reagan policy — that is that we will stand up to totalitarian government and we will support the people who seek basic freedom."

Mr. Speakes, saying Mr. Reagan's only remaining option is to send a written statement to the House, said the president had not anticipated a rejection of his request.

The spokesman said that the White House expected the vote on $100 million in aid to the Nicaraguan rebels, who are known as "contras," to be "close, but we're not there yet."

Meanwhile, the State Department denied Monday that past U.S. funding to the rebels leaders had been diverted to benefit their leaders.

A spokesman, Charles E. Redman, said reports of such misuse "involved old charges, from 1983" and did not reflect operations under current rebel leadership.

Mr. Redman said charges of rebel corruption attributed to a former rebel leader, Alberto Suhr, were tainted because Mr. Suhr "was purged in 1983 and harbors resentment against the current leadership."

Protesters Set Plant Ablaze In Thailand

The Associated Press

BANGKOK — Thousands of people protesting the construction of a chemical plant in the island of Phuket set fire Monday to a factory, a hotel and a half dozen vehicles, officials said.

Prime Minister Prem Tinsulanonda declared a state of emergency in the island, which has a large tourist industry.

Police reinforcements were rushed in and military units placed on alert as the protesters surged out of control and prevented fire crews from going to the burning areas, officials said.

Industry Minister Chirayu Isarangkun Na Ayuthaya was evacuated by helicopter after being shoved by protesters.

The size of the crowd was estimated at 10,000 to 50,000 people. The official Thai News Agency said a policeman was injured as protesters hurled stones at the Merlin Hotel, where Mr. Chirayu was reported to have been staying.

Nineteen persons were arrested on charges of creating disturbances in Phuket, state-run television reported. Phuket island lies off Thailand's west coast about 550 miles (850 kilometers) south of Bangkok.

The protesters were opposing the opening of a plant that is to process tantalum, a metallic element used primarily to make electronic parts. The demonstrators contended the plant would pollute the environment and hurt tourism.

No details were available on fire damage at the $75-million plant and at the hotel.

Lieutenant Somsong Tradjam, deputy chief of marine police at Phuket, said the crowd was angered that Mr. Chirayu did not address the gathering.

Thousands of protesters then marched to the tantalum plant, where they burned effigies of shareholders and symbolic coffins, and then part of the factory, Lieutenant Somsong said by telephone.

Other demonstrators went to the Merlin Hotel and shattered windows with stones, the lieutenant said. Later fires were reported set at the hotel.

It was the second big demonstration in this month against the plant, owned by Thailand Tantalum Co.

Frédérique Longagne/Reuters

A Star-Spangled Marseillaise for Paris

Barbara Hendricks, right, the American opera singer, and Line Renaud, the French singer, Monday in Paris after the newly restored model of Statue of Liberty was unveiled on an island in the Seine. They sang their national anthems for dignitaries and crowds at the centenary ceremony. Page 2.

U.K., in Reversal, Asks To Meet ANC Leader

By Marcus Eliason
The Associated Press

LONDON — Britain's Conservative government reversed its policy Monday and offered to talk with the leader of the African National Congress, the main black guerrilla group fighting white domination in South Africa.

Departing from a longstanding boycott of the black guerrilla movement on the ground that it

South African firms struggle to meet black aspirations. Page 11.

espouses violence, the Foreign Office said it was inviting Oliver Tambo, the ANC president, to meet this week with Lynda Chalker, a Foreign Office minister of state and deputy to the foreign secretary, Sir Geoffrey Howe.

A Foreign Office spokesman said the meeting was "thought appropriate at this time." He added, "We will use the opportunity to impress on the ANC that negotiations and dialogue are the way forward."

The move was seen by some analysts as an attempt to fend off criticism of the British refusal to agree to economic sanctions against South Africa because of its policy of legalized racial discrimination.

Mr. Tambo, in London as part of a European tour, said he had not received the invitation. When asked whether he would accept it, he replied: "Let us not speculate."

AP

Oliver Tambo

Mr. Tambo appealed to the West to adopt "comprehensive and mandatory sanctions," and he urged Britain to take the lead. He made a point of asking the help of Queen Elizabeth II, who is head of the Commonwealth, the 49-member organization of Britain and its former colonies.

He accused those who equivocate on sanctions of "preparing conditions necessary to ensure what most people would want to avoid — a bloodbath."

Mr. Tambo said that without sanctions, the conflict "will multiply itself one-hundredfold and more."

Denis Healey, the opposition Labor Party's foreign affairs spokesman, left on a four-day trip to South Africa, saying sanctions were the only way of making the white-led government negotiate with the black majority.

The announcement of the offer to meet with Mr. Tambo came shortly after Terry Waite, the Archbishop of Canterbury's diplomatic envoy, returned from a six-day visit to South Africa with a scathing assessment of the country's latest state of emergency.

He accused South African security forces of perpetrating violence "on an unprecedented scale," said the country was "in the grip of an evil system," and said President Pieter W. Botha's government had suffered "nothing less than a massive failure of statesmanship."

Assessments like these have added to the pressure on Prime Minister Margaret Thatcher to soften her rejection of economic sanctions against South Africa, which she insists would be counterproductive.

The decision on Mr. Tambo was welcomed by anti-apartheid activists.

Hugh J. Dykes, a member of Parliament for her Conservative Party, called it "a significant step forward" that reflected "a growing realization that the ANC is a broadly based, moderate nationalist movement seeking a just society in South Africa for all races, and not an extremist terrorist movement as it has been depicted by the Botha regime."

Pro-South African Tories, however, attacked the decision.

"I cannot understand how the government is prepared to talk to terrorists and murderers," said another Conservative member of Parliament, Terry Dicks.

Mr. Waite, who had gone to South Africa to investigate the plight of Anglican clerics, talked to reporters at Heathrow Airport on his return and read a note he had been given by a detainee, scribbled in red ink on a scrap of paper. He blanked out any names that might identify the writer.

"We are on hunger strike," it said. "We are not allowed basic rights, washing, changes of clothes, toilet paper, smoking, even medical treatment. Food is bad. When we try to speak to the station commander about our problems he

See TAMBO, Page 4

U.S. Gathers Allegations of Panama Election Fraud

By Seymour M. Hersh
New York Times Service

WASHINGTON — The United States has assembled what it believes to be conclusive evidence alleging that General Manuel Antonio Noriega, the military strongman of Panama, ordered the National Defense Force to intervene and overturn the results during the 1984 presidential elections in Panama, according to Reagan administration officials.

The officials said both the Central Intelligence Agency and secret analyses provided by the U.S. Embassy in Panama indicated that extensive vote fraud may have taken place. A senior State Department official said there was absolutely no question in his mind that the Defense Force's intervention came at the express order of General Noriega.

A White House official with direct knowledge of the situation in Panama similarly said CIA field reports had implicated General Noriega directly with the allegation of vote-stealing. "I saw the original reports in the daily intelligence briefs," he said. "They were extremely accurate."

These U.S. officials, some of whom were serving in Panama at the time, alleged that vote-stealing and fraudulent counting occurred after it became clear that Nicolás Ardito Barletta, the candidate supported by General Noriega and the Reagan administration, might be running behind Arnulfo Arias Madrid, the opposition candidate.

General Noriega is the commander of the National Defense Force, which at the time of the election was known as the National Guard, and he is widely considered the politically dominant force in the nation.

The general was unavailable for comment on the allegations of election rigging. Four telephone calls over two days to the army press office in Panama, asking for a response to the allegations, were not returned.

Last month, according to first-hand sources, CIA officials told a top-secret Senate Foreign Relations subcommittee hearing on Panama that they believed Mr. Arias had actually won the election by 30,000 votes. Shortly after the election, the U.S. Embassy initially formed the view that Mr. Arias had won by 25,000 votes, administration officials said.

AP

Nicolás Ardito Barletta

LA

Arnulfo Arias Madrid

Despite the extensive information on the alleged vote fraud, U.S. officials and diplomats said, Secretary of State George P. Shultz agreed to head the U.S. delegation to Mr. Ardito Barletta's inauguration in October 1984. While there, Mr. Shultz publicly described Mr. Ardito Barletta's election as offering "Panamanians of all political persuasions a new opportunity for progress and national development."

Public charges of vote-stealing were made shortly after the election and continue to be made in Panama, but the official U.S. Embassy position, as reported at the time of the election, was that the United States had received no evidence of fraud and had warned prior to the election that any attempt at vote-stealing could result in a cutoff of U.S. aid to Panama.

Mr. Ardito Barletta resigned from office last September, citing pressure from the military, after he agreed to establish an investigating commission to look into the torture and murder of Dr. Hugo Spadafora, a leading opponent of General Noriega's regime. The president's successor, Eric Arturo Delvalle, is viewed a figurehead, with General Noriega and the De-

See PANAMA, Page 4

Winnie Mandela in Church: A Mixture of Worship and Protest

By Allister Sparks
Washington Post Service

SOWETO, South Africa — She was dressed for the occasion in a black suit with an emerald green blouse and a jaunty black Spanish sombrero. In the modest ghetto church, she cut a dashing figure. Heads turned. People nodded in recognition of the best-known inhabitant of this township south of Johannesburg.

The minister, the Reverend David Nkwe, addressed Winnie Mandela, wife of Nelson Mandela, the imprisoned African National Congress leader, as "the mother of the nation," recounted her recent tribulations, and asked her to stand and receive the acknowledgments of the congregation.

It is skirting the fringes of the state of emergency rules restricting press coverage to report that as she did this, she raised her fist in the black nationalist salute and thus drew cries of "*Amandla!*," the evocative chant of the activists that means power to the blacks.

Under the government's new emergency regulations, that display and other elements of the ceremony at St. Paul's Anglican Church might have disqualified the gathering as a bona fide church service. In that case, everyone present would have been subject to arrest, as has happened several times to other church congregations in the past week.

In the black ghettos of South Africa, faith and political struggle are intertwined, so that St. Paul's is more than just a church. It is adjacent to a complex of six buildings that form the Ipelegeng Community Center.

The center is the main meeting place for the activist United Democratic Front and many of its affiliated organizations, which have been major targets of government action since the state of emergency began June 12.

Father Nkwe told the congregation about six gasoline bombs thrown through the windows of the complex, one in each building, during the early hours of the morning June 17. Two rooms were burned out, but mercifully, he said, the fire did not spread.

"This was a miracle of God," the minister said, and he called on the congregation to kneel and give thanks that the center had been spared.

The attackers had seemed to know the layout intimately, he said. They had switched the numbers on all the doors so that those who tried to fight the fire fumbled with the wrong keys.

"Who could have done this terrible thing?" the minister said.

He pointed out that the police had raided the complex a week earlier, going through all the rooms; that a man living next door reported seeing three whites drive up to the center in vans a few minutes before the firebombs went off; and that, with the township sealed since emergency rule began June 12, no unauthorized whites should have been able to enter Soweto.

Angry murmurs rippled through the congregation.

News of the gasoline bomb attack can be reported here because it was confirmed two days later by the government's Bureau for Information. That made it officially authorized news.

What may not be authorized is a further statement by Father Nkwe that by Sunday morning, five days after the bombing, no one had arrived to check for clues.

In a slight amendment to the strict press regulations, the government said Saturday that it was permissible for reporters to enter black areas provided it was not for the purpose of reporting on matters relating to civil unrest, security force activities or anything to do with actions under the state of emergency,

See MANDELA, Page 4

Enrile Declares Loyalty But Nurtures Candidacy

By Mark Fineman
Los Angeles Times Service

TUGUEGARAO, Philippines — Defense Minister Juan Ponce Enrile had just finished a glass of brandy at a friend's house here in his home province 300 miles north of Manila last week when a dozen reporters from the Defense Ministry press corps burst into the room.

"Sir," one of the reporters asked, "is there any truth to the rumors in Manila?"

Mr. Enrile leaned forward, raised his eyebrows with genuine anxiety and replied, "What rumors?"

"Sir, they say you and your men are staging a coup against President Aquino in Manila."

Mr. Enrile fell back into his seat and laughed. "Boys, look at me. I'm drinking brandy with my friends. I'm hundreds of miles from Manila. Does this look like a coup to you?"

But then he turned to three foreign journalists who had been chatting with him for two hours and said, "My God, this is really getting crazy." At that point, Mr. Enrile was not laughing.

Four months after Mr. Enrile and the armed forces chief of staff, General Fidel V. Ramos, led the revolt that drove President Ferdinand E. Marcos into exile, Mr. Enrile, 62, has become the subject of seemingly endless speculation that he is plotting against the government he helped bring to power.

After the coup rumors made front-page news in Manila last week, President Corazon C. Aquino and General Ramos both issued statements denying that a coup was afoot and assuring the nation that all was well in the administration.

On Saturday, Mrs. Aquino went out of her way to appear alongside Mr. Enrile at an anniversary celebration for the Philippine Navy. She laughed off the rumors as a subversive attempt to discredit her government.

Yet, behind last week's round of rumors and denials, there are indeed signs of rising tension between conservative and liberal members of Mrs. Aquino's government. There is tension also between the civilian and military components of her government, and there are significant changes in the political dynamics of a nation newly freed from 20 years of dictatorship.

At the center of it all is Mr. Enrile, a Harvard-educated lawyer and veteran politician. In spite of his many recent declarations of unwavering support for Mrs. Aquino and her civilian government, he has also made it clear in the last week that his days in Philippine politics are far from over.

Mr. Enrile's ambition to someday be president was the subject of widespread speculation even before he helped topple the Marcos regime during military and civilian revolt in February. In addition, during his 36-hour trip to the far north of the main Philippine island of Luzon last week, Mr. Enrile of-

See ENRILE, Page 4

Reuters

Juan Ponce Enrile

AIDS Shifts Said to Make Care Harder

By Lawrence K. Altman
New York Times Service

PARIS — As the AIDS epidemic worsens, changes in patterns of the *untreatable fatal disease can be expected to increase the complexities* of dealing with it, a leading expert said Monday at an international meeting here on acquired immune deficiency syndrome.

Changes already have been noted in the frequency of the types of cancers, infections and other conditions that complicate the course of AIDS, according to Dr. Paul Volberding of the San Francisco General Hospital.

Another expert, Dr. Halfdan Mahler, director-general of the World Health Organization in Geneva, said that up to 10 million people in the world are infected with the AIDS virus and capable of spreading it to others.

Some experts say that an increasing number of AIDS patients are apparently suffering dementia and

See AIDS, Page 4

INSIDE

GENERAL NEWS

■ **President Reagan** is said to believe the Soviet economy is too weak to allow a major arms buildup. Page 4.

■ **U.S. workers** object to a tough method of cutting absenteeism. Page 3.

■ **Despite integration,** many schools have stayed mostly black in the U.S. South and still are run by whites. Page 3.

BUSINESS/FINANCE

■ **The World Bank** delayed a vote on an agriculture loan to Brazil. Page 11.

■ **The U.S. Supreme Court** agreed to hear arguments on a bond ruling in the Texaco-Pennzoil case. Page 11.

SPORTS

■ **The defending champion,** Boris Becker, won his first-round match at Wimbledon *in straight* sets. Page 8.

■ **Belgium** gained the semifinals of the World Cup, joining France, West Germany and Argentina. Page 9.

TOMORROW

Greece, the only EC nation that has not officially expelled any Libyan diplomats, sees a special relationship with Tripoli.

The U.S. Justice Department narrowly defines the rights of AIDS victims. Page 3.

'Nuclear Winter' Re-examined

New Calculations Suggest It Might Not Involve a Freeze

By James Gleick
New York Times Service

NEW YORK — American climate researchers have further moderated the most extreme predictions of prolonged freezing and possible human extinction put forward *three years ago as part of the* outlook for the aftermath of a nuclear war.

Because of the widely debated implications that such a "nuclear winter" would have for strategic policy, a variety of government agencies have spent millions of dollars since 1984 on computer calculations and other research to assess the possibility that smoke and soot could shut out sunlight, causing a chilling of the Earth's climate.

The calculations now suggest that the cooling would be less severe and less long-lasting than was originally believed, with a drop of perhaps 25 degrees Fahrenheit (14 degrees centigrade) instead of as much as 45 degrees Fahrenheit (25 degrees centigrade).

Scientists at the National Center for Atmospheric Research in Colorado, the Los Alamos National Laboratory in New Mexico and Lawrence Livermore National Laboratory in California, the three main centers of research on the subject, caution that they are signaling no general retreat from the idea that the indirect aftereffects of nuclear war would cause human misery on a scale without precedent.

They say that, beyond the immediate casualties from blast and radiation, their computer models still show the potential for widespread crop destruction from the torrents of smoke that would be sent skyward by burning cities and forests.

The scientists believe that hundreds of millions of lives would be lost to a broader combination of devastating effects, from changes in rainfall patterns to the breakdown of industrial society.

But Starley L. Thompson of the atmospheric center said: "It's quite different from what people were talking about."

"People really have in their minds the image of frozen lakes and frozen cornfields and having to dig through frozen ground to bury the dead, and those images are too extreme," he said.

The original hypothesis, as published by a group of scientists in the journal Science in December 1983, transformed the public debate over nuclear policy.

The calculations, foresaw temperatures plunging well below freezing and suggested that the aftereffects of even a limited nuclear exchange might be worse than the immediate destruction from bombs and missiles.

Because firestorms in burning cities would pump millions of tons of black smoke high into the atmosphere, *the authors calculated that* a pall could spread over the entire Northern Hemisphere, blotting out nearly all sunlight for weeks. They estimated that months of temperatures below freezing could follow, spreading annihilation to countries far removed from the scene of combat.

On the basis of the climate predictions, biologists argued that the damage to interdependent plant and animal populations could cause mass extinctions. Since then, studies have continued to show what biologists consider dangerous sensitivity to even small climatic changes.

To strategists, this prospect meant that a surprise attack could be self-destructive even in the absence of nuclear retaliation, a view requiring a shift in the understanding of the theory of deterring war by the threat of heavy nuclear retaliation.

The 1983 calculations were based on the best available com-

See WINTER, Page 2

French Raise a Centenary Toast to Liberty's Sister in the Seine

By Michael Dobbs
Washington Post Service

PARIS — The French celebrated their Statue of Liberty centenary Monday as Miss Liberty's smaller and less famous sister was unveiled here after a yearlong restoration effort.

The French ceremony provided a modest foretaste of what the United States has to look forward to over the Fourth of July holiday when the original statue of liberty is unveiled in New York Harbor. There were national anthems, schoolchildren waving French and American flags, speeches about transatlantic friendship and a boatload of dignitaries headed by Jacques Chirac, the French prime minister, cruising the Seine River in the company of a Dixieland band.

Miss Liberty herself was draped in an American flag and the French tricolor. The American community in Paris joined together in 1885 to give the smaller statue to the French in gratitude for France's original gift to the United States.

The celebrations presented an opportunity for Mr. Chirac to address French-U.S. relations after the French government's refusal to allow U.S. planes to fly over French territory for the April 15 raid on Libya. He said that France and the United States shared common values including a joint determination to defend liberty, freedom and human rights.

"There aren't any bad feelings in France," said Mr. Chirac, who is also mayor of Paris. "If there are any in the United States, then I hope that they will disappear entirely as a result of these ceremonies."

In a message read at a reception afterward at the Paris city hall, President Ronald Reagan said that he hoped that the French statue would "long continue to remind all who view her of that most precious gift of democracy — liberty for all."

The French Statue of Liberty rises 52 feet (15.7 meters) above an island in the Seine near the Eiffel Tower. The original version in New York Harbor stands 305 feet from foundation to torch.

Monday's ceremony began with a rendition of the Star-Spangled Banner by the American soprano Barbara Hendricks, who wore for the occasion a designer Stars-and-Stripes dress. Line Renaud, the French actress and singer who was costumed in the tricolor, sang the Marseillaise.

Mr. Chirac posed for pictures with the U.S. ambassador to France, Joe M. Rodgers, who also was representing Edward I. Koch, the mayor of New York.

Restoration of the French statue cost about $350,000 (2.5 million francs) a tiny sum compared to the $30 million lavished on refurbishing the original. The biggest work consisted of plugging a large hole in the statue's right shoulder believed to have been caused by a stray shell during fighting for the liberation of Paris from Nazi occupation in 1944.

For the French, the statue celebrations have been overshadowed by the World Cup soccer championships and remarkable victory Saturday over the favorites, Brazil.

Liberty fever has taken the form of kitsch. Shops are selling liberty towels, liberty lamps, liberty T-shirts, and liberty crystal. A team of chefs last week completed work on an 8-foot-2-inch chocolate replica of the Statue of Liberty which has been dispatched to New York in time for the July 4 celebrations.

Monday, at least, it was difficult to escape from Miss Liberty. The ornate reception rooms at city hall were filled with replicas of the statue. Mr. Chirac commented: "The Statue of Liberty is a symbol — and symbols play an important role in the history between peoples."

Spain's Socialists Hear Warning Note in Victory

By Edward Schumacher
New York Times Service

MADRID — The Socialist Party of Prime Minister Felipe González sees its victory of Sunday as a mandate for continuity but also as a warning to be more cautious in style, party leaders said Monday.

The Socialists, a moderate center-leftist party, won 184 seats in the 350-member Congress of Deputies, a drop of 18 seats from their landslide four year ago but still a comfortable majority against a divided opposition.

Bucking a rightward trend in the rest of Europe, the Socialists won an even clearer hold over the Senate, taking 124 of the 208 seats up for vote. Another 42 seats are selected by regional legislatures, but the Socialists dominate there.

Spaniards opted for stability and a belief that Mr. González' austerity and modernization policies had put the country on a good road despite creating an unemployment rate of more than 20 percent.

A week before the election, Mr. González and other leaders professed to be worried that they could lose the majority.

The one issue that was hurting them most was a charge of arrogance. The government, which has been accused of manipulating state-owned television, has also been poor in explaining its decisions.

"The truth is that the people want González to stay at the helm," El País, the country's leading newspaper, said in an editorial. "But González and his party must change their ways."

Party leaders said that defeat in the next elections in four years would be inevitable if their errors were not rectified. Mr. González appeared to be taking a first step in a conciliatory victory statement.

The victory, he said, "allows us to take forward our project of progress with stability and continuity." But he added: "We shall govern with a spirit of dialogue and aim to cooperate with all political and social forces."

The Socialist victory is expected to have little effect on generally good Spanish-U.S. relations and negotiations to reduce the authorized 12,500 U.S. military personnel at bases in Spain.

U.S. businessmen said that the victory was likely to spur foreign investment by signaling continued favorable treatment and political stability. Foreign investment was almost $2 billion in the first four months, double last year's pace.

The Socialists have pursued largely free market policies in cutting inflation, streamlining the economy and privatizing some state industry as Spain this year entered the European Economic Community. Officials said the next government would continue slowly stimulating the economy to create jobs while cutting a deficit.

Spanish stock markets showed virtually no change as businessmen, generally satisfied with the government's policies, took a business-as-usual attitude.

Mr. González has indicated he will replace some cabinet members in a second government, but the key portfolios of economy and foreign relations are expected to remain unchanged, officials said.

Government officials acknowledge that a priority in their next term will be improving relations with unions, whose members have borne much of the austerity.

Former Prime Minister Adolfo Suarez had targeted disenchanted Socialist votes with a populist campaign and won 19 Congress of Deputies seats for his Democratic and Social Center, up from the two it had.

But Deputy Prime Minister Alfonso Guerra said the increase has come mostly from centrists who had voted in 1982 for a former party headed by Mr. Suarez, which has since disappeared.

Aides of Mr. Suarez denied the assertion, declared themselves the third force in the lower house and demanded they be given seats in the European Parliament.

"The view of the Democratic and Social Center will be heard in every debate," Mr. Suarez said.

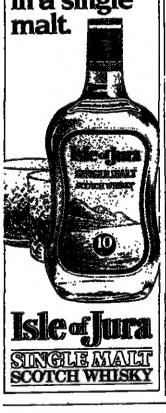
Socialist leaders said they were most concerned by the growth of regional parties in the election and especially that of Herri Batasuna, the political arm of Basque separatist terrorists known as ETA.

The party won five seats, up from the two it held, making it a major force in the Basque country.

The Associated Press

Socialist supporters celebrated the returns in Madrid.

The flavour of an island in a single malt.



Isle of Jura
SINGLE MALT SCOTCH WHISKY

Coalition Parties Gain in Sicily Voting

By B.J. Dionne Jr.
New York Times Service

ROME — Italy's governing coalition won an overwhelming majority in Sicilian regional elections, while the opposition Communist Party lost ground.

With all of the votes counted Monday, the five governing parties won two-thirds of the total in Sicily, one of Italy's most conservative regions. This was a slight increase from their share in recent elections.

Prime Minister Bettino Craxi, a Socialist who leads the centrist coalition that is Italy's longest lasting government since World War II, called the results in Sunday's elections "a vote for and a sign of stability."

But the voting did virtually nothing to resolve the feud between Mr. Craxi and Chiaco de Mita, the leader of the Christian Democrats, the largest party in the coalition. The two men attacked each other fiercely throughout the campaign.

Although both the Socialists and the Christian Democrats claimed victory, neither party performed spectacularly.

With 38.8 percent, the Christian Democrats maintained their position as the largest party in Sicily. But their percentage dropped from the party's vote in the regional elections five years ago, and the Christian Democrats lost two of their 38 seats the 90-member Assembly.

However, their score represented an improvement on their performance in parliamentary voting in 1983, and Christian Democrats hailed the result as a confirmation that the party had arrested its long-term decline.

Clemente Mastella, a Christian Democratic spokesman, noted that in Palermo the party ran about 3 percentage points ahead of its total in local voting last year.

Mr. Craxi's Socialists consolidated gains from recent elections, winning about 15 percent of the vote, a slight improvement over its parliamentary vote of two years ago.

But commentators said that the Socialists once again had failed to convert Mr. Craxi's personal popularity into large-scale gains. This could strengthen the Christian Democrats in their effort to force Mr. Craxi to turn over the prime minister's post to their party at the end of the year.

The three small parties of the five-party governing coalition — the Republicans, the Social Democrats and the Liberals — all posted gains over their vote five years ago.

The biggest losers in the election were the Communists, who won 19.4 percent of the vote, compared with 21.6 percent of the Sicilian vote in the 1983 parliamentary elections and 20.7 percent in the last elections for the regional assembly.

The neo-fascist Italian Social Movement held its own, winning about 9.2 percent.

ASEAN Ministers Call For More Cooperation

By Michael Richardson
International Herald Tribune

MANILA — Meeting in a mood of pessimism about the economic outlook for Southeast Asia, foreign ministers from six non-Communist countries in the region called Monday for closer cooperation between their nations and for less reliance on the Western industrial powers.

President Corazon C. Aquino of the Philippines said at the opening here of the foreign ministers' meeting of the Association of Southeast Asian Nations that protectionism and the collapse in oil and other commodities prices had strained economic growth in the ASEAN area.

She added: "It is lamentable that, despite our experience, we continue to look outwards from the region for the revival of its progress and the fulfillment of its promise."

Meanwhile, in Singapore, Prime Minister Lee Kuan Yew and George P. Shultz, the U.S. secretary of state, discussed their common concern that U.S. protectionism would give the Soviet Union an opening in Asia, a State Department official said.

"These sorts of things could have an effect on all aspects of relations," with friendly Asian nations, the official said in reference to several bills under consideration by the U.S. Congress that would reduce Asian exports to the United States. Mr. Shultz is due in Manila on Tuesday for talks with the ASEAN ministers.

Since Mikhail S. Gorbachev, the Soviet leader, took power last year, Moscow has made a sustained effort to improve relations with East Asian nations, particularly with the ASEAN nations, by offering expanded trade and economic cooperation.

In their speeches Monday, the ASEAN ministers made it clear they wanted the association to retain links with the industrial nations and work to reform the existing world trading and monetary system from within.

But most were critical of economic policies pursued by the industrial powers and all urged that more intense efforts be made by ASEAN to promote greater regional self-reliance.

Arun Panupong, Thailand's deputy foreign minister, said ASEAN's members — Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand — when combined were "a $220 billion economy, a 290 million people market and one of the most resource-rich regions in the world."

On Thursday the ASEAN ministers are to begin three days of discussions with their counterparts from the United States, Japan, the European Community, Canada, Australia and New Zealand.

Speakers criticized ASEAN's failure to expand trade, tourism, investment and other forms of economic cooperation among its members.

Suppiah Dhanabalan, Singapore's foreign minister, warned that in the next few years economic problems in ASEAN countries would put strains on ASEAN solidarity.

But he said that the group's difficulties also provided "an opportunity to introduce positive, constructive policies to strengthen regional cooperation."

Tunku Ahmad Rithauddeen, the Malaysian foreign minister, said there was "no doubt that ASEAN has lost some sense of direction as well as its momentum."

However only two of the six ASEAN ministers who spoke at the opening session made specific proposals for hastening and enlarging economic collaboration.

Salvador H. Laurel, the Philippine foreign minister, suggested a plan to promote intra-ASEAN trade.

Mr. Dhanabalan said that in making decisions ASEAN should replace the current requirement for consensus with one adopted by the European monetary system in which agreement among some member nations to an activity would not be prevented provided that the interests of nonparticipating nations were not harmed.

Lange, Shultz Plan Meeting

Compiled by Our Staff From Dispatches

WELLINGTON, New Zealand — Prime Minister David Lange said Monday that he would meet with Secretary of State George P. Shultz of the United States in Manila later this week when they attend the foreign ministers meeting of the Association of Southeast Asian Nations. A U.S. Embassy spokesman confirmed the planned meeting.

Mr. Lange said, however, that he saw little prospect of an agreement with the United States on the Labor government's anti-nuclear policies. He said that the United States had shown little willingness to help settle the impasse over New Zealand's ban on port access for warships that are nuclear-powered or carry nuclear weapons. *(AFP, AP)*

China Appears to Ease War on Corruption

By Daniel Southerland
Washington Post Service

BEIJING — China's campaign against corruption in high places probably has reached its peak and will continue with less intensity, having achieved only limited goals, according to diplomats here.

The diplomats said that the campaign probably had deterred some officials who might be tempted to enrich themselves. Also, they said, it probably had preempted critics of the economic changes put into effect by Deng Xiaoping, the senior leader, from using the corruption issue to try to put the brakes on those changes.

Some diplomats said there appeared to have been an attempt during the anti-corruption drive to target several sons and daughters of conservative opponents of the economic changes.

These diplomats said the attempt had failed, apparently because many sons and daughters of Mr. Deng's allies were not above reproach.

"Too many people have kids who have problems," said a diplomat. He said sons and daughters of high-ranking officials inevitably benefit from favoritism.

When the campaign was announced at a conference of 8,000 leading government, party and military cadres in early January, top Communist Party officials promised to go after offenders in high places.

But the results, so far, have been meager.

In the most recently disclosed case in the campaign, the Xinhua news agency reported June 17 that Chen Yunlaing, the former president of a county agricultural bank in southwestern China, had received a suspended death sentence for economic crimes, including the embezzlement of 1.2 million yuan (about $375,000). The death sentence would be reviewed in two years and carried out or commuted depending upon Mr. Chen's behavior, the news agency said.

The news agency said that Mr. Chen had installed his son as head of a marketing department he had created under the bank's supervision.

In the most highly publicized anti-corruption case of the campaign, Zhang Changsheng, 31, an employee of a state-owned company, was executed April 14 for selling to foreign and Hong Kong businessmen "state secrets" concerning automobile imports.

Ye Zhifeng, 40, a government official working with Mr. Zhang, was sentenced to 17 years in prison. She is the daughter of Ye Fei, a member of the Communist Party's Central Committee and former commander of the Chinese Navy.

Chinese sources said that in at least two cases, the children of high-ranking officials who had been investigated for alleged corruption were cleared because they supposedly acted out of inexperience.

One source said that a daughter of Peng Zhen, chairman of the National People's Congress, had been cleared following an investigation. Mr. Peng, a Politburo member, is seen as a reluctant supporter of the economic changes.

A Hong Kong magazine, Cheng Ming, reported in March allegations that a company headed by Mr. Peng's daughter had been able to buy a large amount of coal at less than the official rate. She then allegedly made an illegal profit of $300,000 by exporting the coal, the magazine reported.

Another Chinese source said that Hu Shiying, the son of Hu Qiaomu, a Communist Party Politburo member and the party's leading ideologue, also was cleared several weeks ago of corruption charges. Hu Qiaomu is considered to have doubts about the economic changes.

An independent Hong Kong magazine, Fei Hsing, identified Mr. Hu's son in March as a journalist who had organized a fraudulent correspondence course in law that never provided lessons to the students who had enrolled and paid for the course.

Justice Ministry officials in Beijing have declined to comment on the two cases.

The official party line on the anti-corruption campaign, spelled out April 22 in a commentary in People's Daily, the principal newspaper of the Chinese Communist Party, is that the drive "to rectify the party's work style" will continue for two more years.

To stop the campaign altogether, diplomats said, would add to the doubts that a considerable number of Chinese seem to have over the ability of the Communist Party to reform itself.

WORLD BRIEFS

Ulster Man Jailed for Life in U.K. Blast

LONDON (UPI) — Patrick Magee, who police say is an Irish Republican Army bomb specialist, was sentenced Monday to eight concurrent life prison terms for the murder of five persons in a 1984 hotel explosion that was intended to kill Prime Minister Margaret Thatcher and members of her cabinet.

In sentencing Mr. Magee, 35, of Belfast, Justice Leslie Boreham said, "You intended to wipe out a large part of the government and you very nearly did." Mr. Magee was found guilty June 10 of planting the bomb that destroyed the Grand Hotel in Brighton during a Conservative Party convention Oct. 12, 1984.

The eight life terms were imposed for charges that also included an abortive 1985 campaign of seaside resort bombings. Four convicted accomplices in the 1985 plot, two of them women, also were given life prison sentences.

Socialist Group Backs Peru on Riots

LIMA (AP) — The Socialist International on Monday put its full support behind a decision by President Alan García Perez of Peru to use the military to quell riots by imprisoned leftist guerrillas. "The democratic state has the obligation to defend itself from terrorist activities with the appropriate means," the group said in a communiqué.

The communiqué also applauded the announcement by Mr. García to initiate a full investigation into reports that troops at Lurigancho prison shot to death 60 rebels who surrendered Thursday after 12 hours of combat for control of the penitentiary.

On Sunday, Willy Brandt, a former West German chancellor, was reelected by acclamation to a fifth term as president of the Socialist International. Mr. Brandt has headed the organization, which includes about 75 Social Democratic, Socialist and Labor parties, since 1976.

Norway Arraigns 2 in Spy Escape Plot

OSLO (UPI) — An Oslo district court arraigned two suspects Monday on charges of conspiring to free a former Norwegian diplomat who is serving a 20-year sentence for spying for the Soviet Union and Iraq.

The arraignment followed the disclosure by the police that Arne Treholt, the convicted spy, had hoped to break out of prison and go to Africa with a Gambian serving a 5-year term for narcotics trafficking and a 17-year-old Norwegian girl with a history of drug problems. The escapers allegedly planned to use blow torches and ladders Saturday while prison guards watched World Cup soccer on TV.

Earlier Monday, the police released Mr. Treholt's brother, Einar, and a journalist, Egil Ulateig, saying they still remained suspects in the conspiracy. Mr. Treholt, 43, was moved to a maximum security prison Friday. Under Norwegian law, it is not a crime to plan to break out of jail but it is an offense to help an inmate escape.

Arne Treholt

2 Testify on Achille Lauro Killing

GENOA (AP) — A Portuguese waiter and an Italian hairdresser who were aboard the Italian liner Achille Lauro in October testified Monday that a hijacker forced them to throw overboard the body and then the wheelchair of an elderly American passenger.

The waiter then identified one defendant in court, Magid al-Molqi, as the gunman who gave the order. The testimony came on the fourth day of the trial in the October hijacking of the liner and the shooting death of Leon Klinghoffer, 69, of New York. The court is trying 15 defendants, three of them accused as hijackers.

The waiter, Manuel de Souza, told the court through an interpreter that he was ordered to bring Mr. Klinghoffer in his wheelchair to the deck. After hearing shots shortly afterward, he said, he was summoned again to throw Mr. Klinghoffer's body into the Mediterranean off Syria, aided by Ferruccio Alberti, the hairdresser. Mr. Alberti, who confirmed that he helped dispose of the body, could not identify which defendant had ordered him to do so.

New York Court Disbars Roy Cohn

NEW YORK (UPI) — Roy M. Cohn, a lawyer who first won fame as an aide to the late Senator Joseph McCarthy, was disbarred Monday by the state-of New York on charges of professional misconduct.

The Appellate Division of the state supreme court, in a unanimous decision, stripped Mr. Cohn, 59, of his right to practice law in New York because of "alleged dishonesty, fraud, deceit and misrepresentation."

The decision supported a Feb. 18, 1983, petition by the state court disciplinary committee. Among the charges against Mr. Cohn, who in recent years has appeared gaunt and has said he is suffering from liver cancer, were that he failed to repay a $100,000 loan from a client, that he obtained an amendment to a will from an allegedly incompetent person, and that he violated an escrow order.

For the Record

Thousands of Somalis fled streets in Mogadishu on Monday to welcome home President Mohammed Siad Barre from a hospital in Saudi Arabia. He was hurt in a car accident last month. *(Reuters)*

Twelve persons were killed in a multiple pileup on an express highway just west of London early Monday when a minibus returning from an open-air pop music festival ran out of control, the police said. *(Reuters)*

In Frankfurt
stay where the business world stays.
At the great hotel they know best.

HOTEL
FRANKFURT
INTERCONTINENTAL

THE ADVANTAGE IS INTER·CONTINENTAL®
INTER·CONTINENTAL HOTELS
Wilhelm-Leuschner-Strasse 43, 49 (69) 23056t. Telex: 0413639
For reservations call: Amsterdam: (020) 26 20 21, Brussels: (02) 750-47-22, London: (01) 491-7101, Milan: (02) 87.72.62, Paris: (01) 47-42-07-92 or call your nearest InterContinental sales office or your travel agent

THERE'S ONLY ONE GIN FOR THE WELL-INFORMED.

Visiting New York City?
Gramercy Park Hotel
Distinguished 500 room hotel with excellent Restaurant, Cocktail Lounge, Room Service and Piano Bar. Overlooking Gramercy Park with newly decorated rooms.
Singles $90-100
Doubles $95-105
Suites $125-200
Group rates and attractive monthly rates available.
Call Gen. Mgr. Tom O'Brien
(212) 475-4320
Telex 668-755
Cable GRAMPARK
21st St. and Lexington Ave.
New York, NY, USA 10010
or call your local Utell office.

UNIVERSITY DEGREE
BACHELOR's • MASTER's • DOCTORATE
For Work, Academic, Life Experience.
Send detailed resume for free evaluation.
PACIFIC WESTERN UNIVERSITY
607 N. Sepulveda Blvd.
Los Angeles, California
90049, Dept. 25, U.S.A.

هكذا من الأصل

Employees in U.S. Bridle at Tough Technique for Reducing Absenteeism

By Peter Perl
Washington Post Service

WASHINGTON — The emergency call from a Richmond, Virginia, hospital came to Neal Bailey while he was working at the Allied-Bendix Aerospace factory in McLean, Virginia, two hours away. His mother's kidney and heart problems had taken a bad turn, her doctor said, and Mr. Bailey was told he had better come quickly.

But when Mr. Bailey asked permission to go, his supervisor told him that if he left work he would be fired.

He had already accumulated seven-and-a-half points of "absence occurrences" under Allied-Bendix's new absenteeism policy, and if he was charged with another half point for leaving early, his eighth point would mean dismissal.

Most of Mr. Bailey's fellow workers, angered by the threatened discharge, went on a spontaneous work stoppage. Within 20 minutes, the plant manager told Mr. Bailey he could leave without penalty.

"It was so wrong what they were doing to me," said Mr. Bailey, 23. "It's run like a prison in here."

Mr. Bailey had been suspended without pay for five days because of an earlier absence to visit his mother, who is also an Allied-Bendix worker. At least 220 of the McLean factory's 360 production workers submitted petitions last week asking the defense contractor to relax its "inhumane" attendance policy.

The incident is an example of the most troublesome and costly discipline problem in U.S. workplaces: absenteeism and the resulting conflicts that often arise when employers attempt to remedy high absence rates by instituting get-tough policies.

Companies consistently rank absenteeism as the biggest discipline problem and, in an era of intense corporate competition, are experimenting more than ever with approaches to reduce it, according to the private Bureau of National Affairs. The bureau has cited estimates that large companies lose $1 million a year for each 1 percent of the work force that is absent.

Many companies, including Allied-Bendix, are trying combinations of disciplinary threats and positive inducements such as cash bonuses to improve attendance.

However, most companies are leaning toward stricter discipline, according to Dow Scott, a professor of management at Virginia Polytechnic Institute and Virginia State University who surveyed absenteeism at 5,000 U.S. companies and catalogued 125 types of employee excuses and 35 types of management absenteeism policies.

"It is very hard to run a manufacturing operation with double-digit absence rates," said Sidaire Priftis, director of operations for the Allied-Bendix plant. "And ours was over 10 percent."

Plant workers earn $6.98 to $9 an hour making top-secret communication devices for the Pentagon.

Absenteeism at rates of over 10 percent are far above the national average, which is estimated at between 2 and 6 percent. Such high rates are highly inefficient because production is slowed and workers often must be assigned unfamiliar tasks to replace absentees, Mr. Priftis said.

The Allied-Bendix solution, after 10 years of chronic absenteeism that reached as high as 16 percent, was to institute an attendance policy last year based on a rigid point system.

After nearly 15 months, Allied-Bendix says the policy has yielded dramatic improvements. Absenteeism has been cut to 4 percent while the overall productivity rate has increased 15 percent and the company has exceeded its efficiency targets by 9 percent, Mr. Priftis said.

But employee turnover has increased, and angry workers have petitioned their employer to show "human compassion" by allowing more leeway for family emergencies and personal problems.

Workers assert that morale has plummeted, quality of work has suffered and more employees are prepared to resign. The assertions are strongly disputed by the company.

This new type of attendance policy has become increasingly popular among corporations, according to management experts. It is termed no-fault because unexcused absences are charged against employees regardless of whose fault the absence was.

Excused absences that are not charged as points include hospital confinement, industrial injury, scheduled medical treatments, jury and military duty, death of an immediate family member, vacation, holidays and sick-leave days.

But virtually all other absences are 1-point penalties, and any lateness of more than three minutes or any early departure is a half-point, regardless of cause. After 4 points, workers begin receiving warnings. At 7 points, they are suspended without pay for five days. Workers can gain back a point if they have a calendar month of perfect attendance.

In interviews, workers complained about being charged for absences caused by car accidents, injury or sudden illnesses of their children, unavoidable child-care problems, homes being burglarized, traffic jams and many other causes.

Employees also complain that the policy often is unequally enforced, with favored workers escaping penalties that others suffer.

"Our house burned down in Sterling last December," said Reba King, an employee. "We lost our clothes. We lost everything. And we got points off."

Exceptional Sales
NINA RICCI
Couture - Boutique
Fashion Accessories
Leather goods
Scarves
Tuesday 24
and Wednesday June 25
from 10:00 a.m. to 6:00 p.m.
20, RUE DES CAPUCINES
THIRD FLOOR

HOTEL DU RHONE GENEVA
A prestigious dwelling on the River Rhone
Next to business and shopping center.
Quai Turrettini
1201 Geneva
Phone (022) 319831
Tx 22213 hrho
A member of HRI
The Leading Hotels of the World

U.S. Defines Rights in AIDS Cases

By Robert Pear
New York Times Service

WASHINGTON — Employers and public health officials who believe they are preventing the spread of AIDS may discriminate against people afflicted with it, the Justice Department has ruled.

This decision, while finding that federal civil rights laws provide some protection to victims of AIDS, or acquired immune deficiency syndrome, interprets the legal rights of people with AIDS and related conditions much more narrowly than the department's career civil rights lawyers had recommended.

There has been intense debate over the question of whether AIDS, a fatal disease, is a handicap under federal law. In a summary of its legal opinion, the Justice Department said, "It is imperative to recognize the distinction between the disabling effects of AIDS on its victims and the ability to spread the condition to others."

If, for example, a person with AIDS is dismissed from a job or a federal program solely because he suffers from the effects of the disease, and if he is otherwise qualified, the dismissal would be illegal, according to the opinion.

But if the person was excluded because of concern that he would spread the disease, the dismissal would not necessarily be illegal, according to the Justice Department. Indeed, it would generally be legal unless the fear of contagion was merely "a pretext for discrimination on account of handicap."

Government scientists have repeatedly said AIDS is not spread through casual contact. However, the Justice Department opinion said that "the risk of medical uncertainty must be borne" by the person alleging discrimination.

Those making such allegations, the decision said, bear the burden of showing that the risk they pose to the health of others "can be calculated with a high degree of medical certainty and is low enough" to be safely disregarded.

The opinion could have many implications for employers, schools, hospitals and other entities that receive federal money, because it is illegal for federal agencies and recipients of federal aid to discriminate against handicapped people who are "otherwise qualified" for a particular job, service or benefit.

Under the earlier recommendation by staff lawyers, such institutions would have been largely restricted from taking action against AIDS victims. But the legal opinion, as finally adopted, appears to allow greater latitude for administrators to discriminate against AIDS victims if they declare a concern for public health.

In its confidential legal opinion, the department says that "the disabling physical or mental effects of AIDS constitute handicaps." But it adds: "The ability to communicate AIDS or any other contagious illness is not itself a handicap."

Thus, it says, an AIDS victim is entitled to protection under federal civil rights law if he can show that he was discriminated against "solely by reason of his handicap." But healthy people who have been infected by the AIDS virus and developed antibodies are not, for that reason alone, handicapped, the opinion says.

Gary Goldhaber/The Associated Press

MISSILE FAILURE AT U.S. MUSEUM — Workmen dismantle an Atlas missile that collapsed at the Air Force Museum on Wright Patterson Air Force Base in Dayton, Ohio. The pressurized missile sprung a leak. It has been displayed at the museum since the early 1970s.

Whites Still Run Black Schools in South

By Dudley Clendinen
New York Times Service

ATLANTA — In hundreds of schools across the rural South, as the academic year comes to a close, another class of young black men and women is graduating from a system of public education that is almost as black as it was before integration but that is still ruled by whites.

In the small towns and cities of the Mississippi Delta and the parts of Alabama, Georgia and the Carolinas that were plantation country, far more than half of the students in school after school are black.

But usually, those schools are controlled by superintendents and school board members who are white and whose own children frequently go to segregated private schools.

It is a fact of life that has endured for a generation since integration, and it has persisted both because election districts and appointive offices are structured to perpetuate white control, and because the black voting-age population has too often failed to vote its advantage.

In the worst of cases, black educators say, the continuance of white authority, in the absence of white children, has meant inadequate financial support and indifferent teaching and administration.

White educators say, however, that their qualifications should not be discredited because of their race and that they can provide quality education in schools where most students are black.

In recent years, because of an evolving culture, lawsuits and increasing political organization and economic pressure by blacks, the situation has begun to change a little.

One place where the old ways have yielded is Indianola, Mississippi, where the school system is 93 percent black. There the black community forced the resignation of a white superintendent and the selection of a black by imposing a boycott of the schools and of white merchants in town.

Inquiries state by state showed other signs of change, although there are no centrally collected figures.

In Virginia, for instance, where 8 of 140 school districts are predominantly black in character, state and school board officials reported that four of them now have black superintendents.

In Mississippi, where the student population of 29 of the 154 school districts is more than 85 percent black, according to Rims Barber, director of the Children's Defense Fund in Jackson, 10 of those districts now have black superintendents.

But they are exceptions to the pattern.

In the beginning, all of the boards and superintendents were white, ensuring white control of the classrooms and jobs within the systems, and also of the school taxes levied against property, most of which was owned by whites.

In Georgia, where Atlanta stands as a symbol of black power and progress, 52 of the state's 187 school districts have a majority black student population. But only four school superintendents in the state are black, and only one school board outside Atlanta is black-controlled.

The more common circumstance is represented by Sumter County, the home of former President Jimmy Carter, where the method of electing school board members has been in litigation for more than a decade.

The school board is all white, as is the superintendent, who sent his children to private schools.

"The population is 50 percent black, and they have never had a black on the school board," said Laughlin McDonald, director of the southern regional office of the American Civil Liberties Union.

"Jimmy Carter filed the original lawsuit when he was governor in the early 1970s," Mr. McDonald said.

The seven board members were then elected either from a combination of single-member districts that were largely white in population or from the county at large. The Carter administration lawsuit produced a board to which all seven members were elected at large. The result was the same: an all-white board.

The apparent equality of at-large elections in such cases is deceptive, Mr. McDonald and others say, because black communities produce fewer votes than white communities of the same size.

"The voting-age population in black communities tends to be smaller because the population overall is younger," Mr. McDonald said. "The birth rate is higher, and because there's nothing to keep blacks in these areas once they reach voting age, they leave."

Thus, as an example of the circumstance in many counties, the black population in a county might be 55 percent and yet produce 65 percent or more of the school-age children but only 45 percent or less of the voting-age population.

About two years ago, Mr. McDonald said, the civil liberties union filed suit in behalf of some black plaintiffs seeking a voting formula in Sumter County that would reflect the large black population there.

But the U.S. district court, he said, produced a plan that split the county into seven single-member districts, all of them with a majority of registered voters who are white. The civil liberties union is now arguing that the plan is a violation of the Voting Rights Act, and the Sumter County School Board is still all white.

Such election formulas are an obstacle to black office-holding, but so is black indifference at election time.

WINTER: *Forecast on Nuclear Aftermath Is Altered*

(Continued from Page 1)

puter model. In January 1985, new findings by researchers at the Lawrence Livermore National Laboratory and the center for atmospheric research were presented.

They did not eliminate the possibility of an extended period of subfreezing temperatures, but indicated a range of possibilities from a prolonged deep freeze over much of the Northern Hemisphere to shorter periods of near-freezing temperatures over much smaller area.

In the last year, computer models have taken into account more physical processes: the stabilizing influence of the oceans, the way wind would blow patches of smoke and the washing-out of soot particles by rainstorms.

As a result, the climate scientists now believe that a war in summer, when the effects would be most pronounced, would not push temperatures down to the freezing point. Some inland areas might experience days of freezing, while some coastal areas might feel little temperature change at all, they say.

In winter, when climate is more stable, they say the potential drop in temperature would be much smaller.

"Temperatures aren't going to be so cold that people who have some sort of shelter aren't going to be protected," said Michael C. MacCracken, who heads the modeling effort at Livermore. "Levels would be harmful to crops still, but would not probably devastate the natural ecosystems. It's going to be like temperatures we experience in the fall."

The original estimates showed temperatures plunging 45 degrees Fahrenheit and staying below freezing for months; the new estimates suggest initial drops on the order of 25 degrees. Although the new models differ in detail, they all point to a return to within 10 to 15 degrees of normal temperatures in the first month. A few degrees of cooling could last for several years, the new estimates suggest.

"Does the world have to freeze to an ice cube before people become concerned about what's going to happen?" asked Richard P. Turco, one of the authors.

> **'You can have winters in which the temperatures are not below freezing.'**
>
> *— Carl Sagan, astronomer*

How the revised view of "nuclear winter" should affect strategic thinking is very much a matter of perception. Some scientists argue that the new data differ from the original report only by degree and that the biological consequences remain uncertain and dangerous.

However, Mr. Thompson and Stephen H. Schneider of the atmospheric center argue in the current issue of Foreign Affairs that the policy implications have changed sharply.

They note that the "nuclear winter" theory has influenced strategic thinking in two important ways. Some strategists have been led to speak of a "suicide" effect in any surprise attack.

According to this idea, an aggressor would be restrained by the knowledge that climate effects could be as severe as the direct damage from nuclear retaliation: Mr. Thompson and Mr. Schneider contend that the scientific data no longer support that notion.

Similarly, they criticize the theory that a threshold exists above which nuclear arsenals become a weapon that cannot be used without destroying the entire planet. The threshold argument has been used to support calls for reducing arsenals; it has also been used to suggest a motive for a limited surprise attack, on the theory that the targeted nation would be afraid to retaliate.

Mr. Thompson and Mr. Schneider contend that no such threshold exists in a realistic model and that human extinction is no longer a plausible consequence of nuclear war.

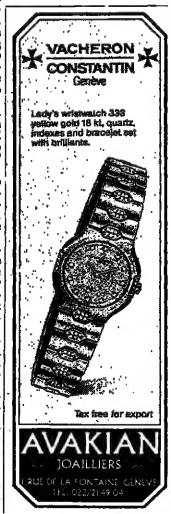
Many of their colleagues, who read the article as it circulated before publication, criticized it as premature. "It's one calculation," Mr. Turco said. "Things could change again."

Carl Sagan, the Cornell University astronomer, who has been one of the strongest advocates of the nuclear winter idea, said that in any event the precise temperature predictions were far less important than the potential biological consequences.

"I don't think nuclear winter implies subfreezing temperatures, not necessarily," Mr. Sagan said. "You can have winters in which the temperatures are not below freezing.

"A single day in which the temperature dips below zero can destroy a rice crop," he said. "A local temperature decline of three or four degrees is enough to destroy all wheat and barley growth in Canada."

Mr. Thompson and Mr. Schneider said they expected further refinements as climate models were further improved.



The very soul of France. In the very heart of London.

No-one would deny that when it comes to style, good taste, refinement – in a word 'art de vivre' – the French have a knack of getting it right.
The people at Meridien have given a lot of thought to getting it right, and the result is a chain of over 50 very special hotels around the world in prime business and prestige vacation spots. From Paris to Rio, from New York to Hong Kong.
And now Meridien have brought a breath of French air to the Edwardian splendour of the New Piccadilly Hotel in London.
Elegant restaurants, mouthwatering cuisine, sumptuous rooms, stylish service.
And you needn't feel guilty, there's a health club and a swimming-pool too.
We reckon it's the best of both worlds.
In the very heart of London.

Le MERIDIEN Piccadilly

Travel companion of Air France.

Le Meridien Piccadilly, Piccadilly, London W1V OBH. Tel.: (01) 734.80.00, telex: 25795.
Reservations and informations: call your Air France ticket office or your travel agent, or in London call (01) 439.12.44, in Paris (1) 42.56.01.01, in Frankfurt (069) 23.59.33

DELTA FLIES FROM 6 MAJOR EUROPEAN CITIES TO OVER 100 U.S.A. CITIES COAST-TO-COAST.

From New York to Texas, from Florida to California, Delta has frequent flights to just about anywhere in the U.S.A.
Catch Delta's nonstop flight from Paris to Atlanta, where you can make easy Delta-to-Delta connections to 100 major cities across the U.S.A.

Delta also has daily service from the New York and Boston gateways to business and vacation destinations across the U.S.A.
Call your Travel Agent. Or call Delta in Paris at 43.35.40.80. Delta Ticket Office is at 24 Boulevard des Capucines, Paris.

DELTA GETS YOU THERE
Also to the U.S.A. from London, Shannon, Frankfurt, Munich, Stuttgart.

Schedules are subject to change without notice.
R.C.F. PARIS B 331 443 705.

Reagan Is Said to Accept Adviser's View That Economic Crisis Hobbles Soviet in Arms

By Walter Pincus
Washington Post Service

WASHINGTON — President Ronald Reagan has adopted the view, still not accepted by the Central Intelligence Agency and many experts on the Soviet Union, that the Soviet economy is so overburdened that Moscow's present level of defense spending could not expand in response to U.S. abandonment of SALT-2 weapons limits, according to sources inside and outside the government.

Mr. Reagan's attitude was shaped largely by a meeting in April with Henry S. Rowen, who is on the faculty of the Stanford University Business School and is also a senior research fellow at the Hoover Institution on War, Revolution and Peace.

Mr. Rowen headed a recent CIA review of the Soviet economy, which described Moscow as facing a "terrible economic situation."

Mr. Rowen concluded, according to colleagues on the panel, that Soviet economic problems made it doubtful Moscow could finance the kind of major weapons buildup predicted in 1985 by the CIA.

In a telephone interview from France, where he was vacationing, Mr. Rowen said he was "not saying they could not respond with some increases."

A source who met recently with Mr. Reagan said: "The president believes the Soviets are in bad shape economically."

Kenneth L. Adelman, director of the Arms Control and Disarmament Agency, who pushed for Mr. Reagan's announcement May 27 that he intended to exceed the limits of the unratified SALT-2 treaty, captured the president's view last week when he wrote in The New York Times that "the Soviets already have their accelerator near or on the floor" and thus could not significantly increase strategic weapons production.

Not everyone agrees.

Mr. Reagan and his aides are "profoundly misguided," according to Dmitri K. Simes, a foreign policy specialist who is with the Carnegie Endowment for International Peace.

'Historically, if anything, we are very good at rising up to challenges.'

— Vitaly Churkin, Soviet arms expert

Mr. Simes agreed that Mikhail S. Gorbachev, the Soviet leader, "definitely has serious problems at home and abroad, and in the long run the view might prove correct."

But he stressed that the Gorbachev leadership has "a new element of self-confidence bordering on arrogance."

"If we believe they are on the ropes and they, in contrast, feel they can keep Mother Russia not second to anyone, that can lead to a bad time," Mr. Simes said.

David Holloway, a Stanford University specialist on Soviet defense policy, said that although the Soviet economic problems were serious, "they are not so bad that they can't stay in the arms race."

"The key thing is not economic but political, the willingness of Gorbachev to make that kind of decision and mobilize support," Mr. Holloway added.

A Soviet Embassy expert on arms issues, Vitaly Churkin, reacted angrily at a recent news conference to a suggestion that the Soviet Union could not afford to keep up in an arms race.

"I would like to point out that as you know, historically, if anything, we are very good at rising up to challenges," he said. "If we are challenged, we will certainly be able to respond in kind."

While there is debate among specialists on the Soviet Union on the capabilities of the Soviet military-industrial complex, there is unanimity of opinion that Mr. Gorbachev has been trying to put a cap on defense spending.

Under Mr. Gorbachev, according to Steven Meyer of the Massachusetts Institute of Technology, the most recent Soviet Communist Party's congress approved a change in the description of how military spending levels would be determined in a way to permit political leaders to lower the levels.

The new standard, he said, is to fund the military so it can prevent "strategic superiority of the forces of the imperialists," whereas the previous standard was a pledge to provide the Soviet military with whatever it believed needed "to reliably defend the homeland."

Under the old formulation, the Soviet chief of staff would have the final word on what was needed. Now, Mr. Meyer said, the party leadership will be able to insert its views on what the United States is doing as part of the mix.

■ **Moscow Sees Some Gains**

Gary Lee of The Washington Post reported from Moscow:

Although the Soviet Union has responded to President Reagan's recent call for a superpower compromise with a barrage of verbal assaults, some Soviet officials say in private that a new impetus in both capitals provides the rough framework for improved relations.

In a speech Thursday in Glassboro, New Jersey, Mr. Reagan said the Soviet Union had now "begun to make a serious effort" toward nuclear arms reductions with its most recent proposals put forward at the strategic arms talks in Geneva.

He cited "fresh developments" and a "moment of opportunity" and talked of a possible "turning point in the effort to make ours a safer and more peaceful world."

The speech reflected a positive, but minor, shift in Washington's Soviet policy, according to several Soviet officials, who asked not to be identified.

"But its effects here will depend on whether and how strongly Reagan follows it up," said a specialist on the United States.

The Glassboro speech was reported in the Soviet press.

Georgi A. Arbatov, director of the Institute on the U.S.A. and Canada, and other Soviet officials have said in interviews that they recognize pressures in Washington to backtrack from a policy of confrontation toward the Soviet Union.

Western diplomatic sources believe consider Mr. Reagan's speech at the June 11 strategic proposals put forward by the Soviet Union in Geneva as mood-setting devices for a possible summit meeting.

In a statement to a session of the Socialist International in Lima, Peru, made public by Tass on Sunday, the Soviet Communist Party Central Committee sharpened the Kremlin's rebuke of Mr. Reagan's recent renunciation of the SALT treaty and also the U.S. refusal to join a Soviet moratorium on nuclear testing.

PANAMA: *U.S. Gathers Allegations of Election Fraud Involving Military*

(Continued from Page 1)

fense Force retaining tight control.

In explaining the administration's position two years ago on Panama, some officials pointed out that Washington had badly wanted an election. Panama had not held a presidential election since 1968, and the Reagan administration's overriding concern by the end of 1983, one official said, had been to find a candidate who would be acceptable both to Washington and to General Noriega and thus "get Panama back on the path of democratization" — a goal the Reagan administration has declared to be its policy in many parts of Latin America.

Mr. Ardito Barletta, an economist who had studied at the University of Chicago under Mr. Shultz in the 1960s, was believed to have no special ties to the Defense Force. Reagan administration officials acknowledged that he had been promoted and, before his official nomination, approved as a candidate by senior White House, Defense and State Department officers at meetings in Washington in late 1983 and early 1984.

"One drawback," said a former White house official, "was that he was not a very good candidate" in terms of his ability to arouse popular support.

The highly popular Mr. Arias, then 82 years old and a staunch nationalist who many in the U.S. government considered anti-American, also ran a much tougher campaign than expected, administration officials acknowledged, and there were intelligence reports indicating that General Noriega might be prepared to steal the election through fraud.

NYT

Manuel Antonio Noriega

One American official acknowledged that he understood before the election that if necessary, as he put it, "the election would be phoned up a little bit."

The actual voting, U.S. officials said, was relatively free of taint, but by nightfall the embassy had received reports alleging that General Noriega had decided, as one American recalled, that "something had to be put together — and quickly." One of General Noriega's first steps, officials alleged, was to order a halt in the counting of votes, triggering immediate suspicions and demonstrations by Arias supporters.

The official said the Reagan administration, having thrown its weight behind Mr. Ardito Barletta and recognizing that General Noriega, the real power in Panama, would not tolerate Mr. Arias in the presidency, was left with few options.

Jack Hood Vaughn, who served as ambassador to Panama in the administration of President Lyndon B. Johnson, observed the 1984 elections in Panama as an unofficial adviser and concluded, "There is absolutely not the slightest doubt that it was stolen by the National Guard." In many rural areas, Mr. Vaughn said, the National Guard seized the ballot boxes after the election and kept them overnight.

After a two-week delay and amid intensified charges of fraud, Mr. Ardito Barletta was declared the winner by 1,713 votes out of 640,000 cast.

The deputy State Department spokesman, Charles E. Redman, when asked recently for comment, said that the United States was aware of the allegations of vote fraud from supporters of Mr. Arias, but that, without any independent evidence, "we had no basis to do anything other than accept the result of the Panamanian authorities."

Mr. Redman added that the State Department had received "a generally positive report" from an observer group that was in Panama to monitor the elections. "This was an exercise of the democratic process — whatever the shortcoming," he added.

In July, an American diplomat said, political officers assigned to the U.S. Embassy in Panama filed a "massive" report that is believed to detail the extent of the alleged fraud and to provide specific examples from various polling stations.

In October 1984, shortly before Mr. Ardito Barletta was inaugurated, the U.S. Embassy in Panama forwarded to Washington yet another detailed report — known in the State Department as a scenesetter — in which the extensive evidence alleging election fraud was clearly reported, according to first-hand sources.

ENRILE: *A Coup You Say?*

(Continued from Page 1)

tin acted more like a candidate than a loyal cabinet member.

He appeared and spoke before crowds of cheering supporters, who greeted him with banners reading, "The Philippine MacArthur," "The Man of the Century," and "Enrile, we are united for you." Local politicians once loyal to Mr. Marcos introduced Mr. Enrile with such phrases as "our idol," "champion of peace," "our new father," "a man for all seasons," and "a man fit to be president of the Philippines."

Mr. Enrile did little to push aside the adulation. When one mayor addressed him as "Mr. President," Mr. Enrile quipped, "I am not the president yet."

During a three-hour interview in his home province of Cagayan the night the coup rumors were rampant in Manila, Mr. Enrile was asked whether his trip to the northern provinces, taking in Mr. Marcos' home province of Ilocos Norte, was not merely an attempt to build his personal political power base.

"Well," he replied, "if I run for a public office in Ilocandia, I know I will win by a substantial margin."

"Are you running for office?" he was asked.

"No," he said.

"Never."

"Please," he said, laughing and winking. "Don't pin me down."

Such verbal bobbing and weaving, combined with Mr. Enrile's open support for a newly revived political party, the Philippine Nationalist Party, has led many political analysts to speculate that he may be planning a possible bid for either the National Assembly or the presidency when the next elections are held, possibly as early as March.

Mrs. Aquino has said several times recently that she does not intend to run for president again, and the 45-member presidential commission now drafting a new constitution could fix a date for presidential elections long ahead of the presumed expiration of Mrs. Aquino's six-year term in 1992.

Mr. Enrile already enjoyed enormous political support in the populous and powerful northern Luzon region and the political organization built over two decades by Mr. Marcos has now thrown its support behind Mr. Enrile.

In a major change in strategy, the leaders of a movement that had been demonstrating in Manila for months and calling for the Aquino government to let Mr. Marcos return to the Philippines, announced last week that it was abandoning its effort to bring Mr. Marcos back and concentrating its forces behind Mr. Enrile.

Mr. Enrile and Mrs. Aquino both denounced the switch by the Marcos supporters, calling it an attempt to destabilize Mrs. Aquino's government. And both leaders said they believed those same pro-Marcos forces were behind the rumors that Mr. Enrile was about to mount another coup.

Mr. Enrile concedes there is a good deal of truth to reports of deepening philosophical differences between him and many of the more liberal members of Mrs. Aquino's government.

Of the pending cease-fire negotiations between the government and leaders of the 17-year Communist insurgency, Mr. Enrile says that he favors negotiations, "But let us not pin all our hopes on this effort."

Mrs. Aquino has avoided taking a position on the future of the two large U.S. military bases in the Philippines, beyond promising to submit to a national referendum the question of whether the bases should be allowed to remain here beyond 1991, when the current agreement expires.

Reuters

Winnie Mandela giving the black nationalist salute at a May Day rally, before emergency decrees were imposed.

TAMBO: *Britain Asks to See ANC*

(Continued from Page 1)

doesn't want to listen and takes away one more right."

The note added: "Please contact the South African Conference of Catholic Bishops or the South African Council of Churches to send us money so we can buy food for ourselves. Please apply for rights to visit us."

Mr. Waite described the writer as "an educated professional black male."

In Pretoria, the government declined to comment, saying the matter had arisen too late to be dealt with at the Bureau for Information's daily news conference.

Meanwhile, in Johannesburg, the government ordered Richard Manning, the bureau chief for Newsweek magazine, to leave the country by midnight Thursday. Mr. Manning, 35, said the statement gave no reason for the order.

■ **Treason Trial Dropped**

A South African treason trial collapsed Monday when the state dropped charges against four defendants who had faced a possible death sentence, Reuters reported from Johannesburg.

Sixteen people, including 12 leaders of the main internal anti-apartheid group, the United Democratic Front, and four from the black South African Allied Workers' Union, went on trial in May 1985 in the Natal provincial capital of Pietermaritzburg charged with plotting the state's overthrow.

Charges against the 12 were dropped last December, and the Natal attorney general, Michael Imber, announced Monday that the state was dropping the case altogether.

Those acquitted Monday were Sisa Njikelana, Sam Kikine, Isaac Ngcobo and Thozamile Gqweta.

Meanwhile, United Press International reported from Johannesburg that the authorities bulldozed sections of the demolished Crossroads squatter camp outside Cape Town and began ordering families to evict the camp's black refugees from churches and schools in white areas where they have sought shelter.

■ **Crocker Is Critical**

The South African government has shot itself "in both feet" by placing restrictions on news organizations and detaining anti-apartheid forces, Chester A. Crocker, assistant secretary of state, said Sunday, The Washington Post reported from Washington.

"There are more than enough means of security laws and repression existing in South Africa's current laws without all these additional measures, which simply get in the way of any possibility for dialogue and polarize the issue further," Mr. Crocker said.

MANDELA: *Worship, Protest*

(Continued from Page 1)

which has resulted in at least 5 known deaths and an estimated 3,000 detentions of blacks.

It apparently would have been legal to report on a wedding or soccer match.

A lawyer also advised that it would be within the law for a reporter to attend a service at the church where Mrs. Mandela worships, provided the reporter did not speak to her about unrest or political action while in Soweto. If a reporter wanted to ask her about that, the journalist would either have to accompany her outside of Soweto to speak to her later by telephone.

The conversation with Mrs. Mandela took place later, as revised by the lawyer.

"It was an indescribable week," she said. "We were under total occupation. There were armed men everywhere, like what I imagine Beirut looks like. There was a lot of shooting and a lot of tear gas in my area, but mercifully not as many deaths as I feared there would be."

Mrs. Mandela said she expected more action against political activists and thought the government would use new laws likely to come into force this week to extend detention periods from two weeks to six months without charges.

"I am sure we are heading for worse times," she said. "Tough action like this is not the solution. It has failed in the past, which is why 10 years after the Soweto uprising the government is still passing more stringent security laws."

"The statute books are almost bursting, but still they need more laws. All it does is sow the seeds of more strife."

Tanker Struck in Gulf, One Death Is Reported

Reuters

MANAMA, Bahrain — A Philippines-owned tanker carrying Saudi Arabian oil was damaged in an air attack Monday near the Strait of Hormuz, shipping sources reported. They said the attacker appeared to be Iranian.

One crewman was reported to have been killed in the attack in the Siaga Silang, about 18 miles (29 kilometers) west of Ras al-Khaimah, and two were said to have been seriously injured.

AIDS: *Shifts in Patterns Are Said to Make Care Harder*

(Continued from Page 1)

other symptoms due to damage of the brain and central nervous system. In addition, doctors treating AIDS patients say they seem to be dealing with larger numbers of intestinal infections caused by salmonella bacteria as well as pneumonia caused by streptococcal and hemophilus influenza bacteria.

An important reason to follow such changes, Dr. Volberding said, is that improved accuracy in the medical surveillance of AIDS might help to detect both changes in the AIDS virus and co-factors, co-factors, the as-yet-unidentified drugs, foods and other environmental factors that may act in concert with the AIDS virus to produce the disease.

Dr. Volberding also suggested that monitoring such changes might allow earlier identification of its spread to new populations at risk, and to better assess the global scale of the epidemic.

He said reliable data was needed to design the most scientifically accurate clinical trials of new drugs and vaccines, if any become available.

Close surveillance of changes in the behavior of the AIDS virus, Dr. Volberding said, could improve forecasts of the needs for additional hospital beds and health care to cope with specific problems.

For instance, he said that an increase in the number of AIDS cases causing dementia and otherwise damaging the brain and central nervous system could impose a severe drain on hospitals and other health facilities.

Dr. Volberding noted that while many people infected with the AIDS virus rapidly become very sick and die, a few inexplicably have a spontaneous remission of their infection and survive longer.

He also noted that there was an apparent but unexplained chance that some people could more readily pass on the AIDS virus to uninfected individuals than other people infected with the virus.

In the five years since AIDS was first diagnosed, doctors have noted different patterns of the disease in different countries.

Geographical variables presumably account for the differences in the frequency with which some microbes cause opportunistic infections among AIDS patients. These infections are the wide range of ailments from which AIDS patients suffer once the virus has destroyed their immune system.

Dr. Volberding cited a paper from the Annals of Internal Medicine that showed that pneumonia caused by the pneumocystis carinii microbe is the most common cause of opportunistic infections among AIDS patients in the United States.

In both Africa and Haiti, however, the microbe is only the third most common cause of opportunistic infection. Cryptococcus fungus and the toxoplasma parasite are the most frequent causes.

Dr. Volberding speculated that differences in the susceptibility to AIDS might be related to such factors as the dose of AIDS virus, the way it enters the body, the presence of other sexually transmitted diseases, and the frequency of exposure. Reinoculation may be more important than previously believed, he speculated.

He also suggested that some of the differences in patterns of AIDS might relate to variations in the types of the AIDS virus infecting people in different areas.

He also suggested that the relevant data might vary according to the rigor with which physicians pursue the diagnosis of complications in AIDS cases.

INTERNATIONAL CLASSIFIED

(Continued from Back Page)

REAL ESTATE TO RENT/SHARE

PARIS AREA UNFURNISHED

SAINT-MICHEL lovely building, very large studio, character. Equipped kitchen, bath. 6,400 F + charges. Tel: 45 80 67 19 - 45 88 35 57.

7th SUFFREN. Very beautiful modern double living, 3 bedrooms, 2 baths, balcones surrounding open view, garage. FR,000. Tel: 45 75 81 32.

SOUFFRINO 7TH. Superb duplex, 250 sqm., 5 bedrooms, 5 baths. 4551 0945

FRENCH PROVINCES

LOIRE VALLEY, 17th century manor, 4 bedrooms, 3 rooms, estate. Info 72 200, Dept. FA,000. Telephone Paris 42 27 21 30.

CANNES MARINA, small studio in high class residence. Free July 1-20. Telephone: 45 24 85 93 Paris.

GREAT BRITAIN

LONDON, luxury furnished flats, fully serviced, choice of Mayfair, or adjacent to Kensington Palace. From £200 to £550 per week. 6 months to 2 years. Knightsbridge Management Ltd. 01-491 2626, Tlx. 297183.

LONDON. For the best furnished flats and houses, contact the Specialists: Phillips, Kay and Lewis, 1st South of Park. 352 8111. North of Park 586 7855. Telex 270042 Attention G.

LONDON WESTMINSTER. Spacious luxury 2-bedroom flat. All amenities, available now. £400/week. Short/long lets. Tel. UK 01 828 3370 or 730 9950.

BRENTHAM OFFER LUXURY FLATS / houses to let / for sale in London. Tel. 01-431 3191. Telex 892287 G.

LONDON, FOX BEST PROPERTIES contact Rufus Raven 01 491 7545.

HOLLAND

Renthouse International
020-448751 (4 lines)
Nederhoven 19-21, Amsterdam

EMPLOYMENT

EXECUTIVE POSITIONS AVAILABLE

DIRECTOR OF FRANCHISE Services for major US retail chain, expanding operations throughout Continental Europe & UK. Individual will be strong strategic-minded business manager with minimum 10 years experience, last 5 years in management on the ground with a multinational franchise system, MBA or equivalent. Bilingual French/English, knowledge of German. Over 35% travel. Based in Paris with initial extensive tour in London. Excellent growth opportunity for the right individual. Great salary and benefits. Reply in confidence to: Marketing Director, Box 4141, 77 Mulwee Hill, London N10 3PH, UK.

GENERAL POSITIONS AVAILABLE

INTERNATIONAL BUSINESSMAN in his fifties is seeking a female travelling companion. The likely candidate must be educated and attractive, like elegant and prestigious places, is engaging and good sport. Could be based anywhere in Europe. Age is no problem if she is active, charming and outlook. Sent short CV and photo(s) to Box 4301, JETS, 68 Jermyn St., London, WC2E 6NH, U.K. References may be required.

GROWING INTERNATIONAL BANK consulting company looking for experienced professionals, preferably accountants. Must speak French / English or Spanish / English and reside with Paris area. Tel. 47 14 74 00 Mr. Hilaire, 72927 Nesilly Cedex, France

POLITICALLY WELL CONNECTED, Industry-technology specialist, New Delhi journalist seeks assignments. Box 1146, New Delhi, India. Phone: 91-11-611536.

DOMESTIC POSITIONS AVAILABLE

SEEK MATURE HOUSEKEEPER / baby-sitter, French-English speaking, part-time. References. Paris 47 20 96 94.

AUTOMOBILES

MERCEDES 500 SEC, June 84, black, light brown leather interior, 1st hand, 14Kl km, 210 HP, 13,000 km. Full options. Cost DM125,000, asking DM105,000. Ho Bertoia Porto, cf 22 97 22, office 47 24 55 92 70 after 8 pm. Telex 650786 F.

AUTO RENTALS

RENT IN PARIS
WEEKEND F450 - 8 DAYS F1030
Unlimited mileage. DIBIS 45 67 37 04

AUTO SHIPPING

TRANSCAR
THE CAR SHIPPING SPECIALISTS

PARIS	(1) 42 25 44 44
CANNES/NICE	(93) 39 43 44
FRANKFURT	(69) 01 80 51
BONN / COLOGNE	(0228) 21 27 21
STUTTGART	(0703) 88081
MUNICH	(089) 95 10 49
BREMERHAVEN	(0471) 43063
NEW YORK	(212) 489 7000
HOUSTON	(713) 921 7405
LOS ANGELES	(213) 388 9288
MONTREAL	(514) 866 6806

AGENTS WORLD WIDE
Leave it to us to bring it to you

AUTOS TAX FREE

TRANSCO
THE LARGEST SHOWROOM AND STOCK IN EUROPE
Keeping a constant stock of more than 300 brand new cars of all European + Japanese models. Export exemption. Tax free sale-shipping insurance. Tax free leasing. Transco Export, Transco SA, 98 Mesdelaan, 2030 Antwerpen, Belgium. Tel 323/543 62 40 Tlx 35307 Transc

LEGAL SERVICES

DO YOU WANT a second passport? IMC BOX 4567 London WC1N 3XX

LOW COST FLIGHTS

ACCESS - USA

	One Way	Round Trip
New York	F1200	F2290
Miami	F1500	F2890
Los Angeles	F1800	F3690
Atlanta	F1700	F3400
Dallas	F1700	F3400
Chicago	F1600	F3000
Houston	F1700	F3400
Boston	F1400	F2800
Montreal	F1250	F2500
Toronto	F1750	F3500

and more destinations ...
15% discount on 1st class
PARIS tel: (1) 42 21 46 94
4 rue Pierre Lescot, 75040 Paris
Metro - RER Chatelet Les Halles
(Lic. 1.75.11.11)

FOR CHEAP STAY, FLIGHT PACKAGE for 10 US cities + Montreal. Contact your US travel agent with 20 years experience: ITS, 101 rue de Sèvres (60th. Ch Elysees) Paris tel. 4289 1081

HOLIDAYS & TRAVEL

HELLAS YACHTING. Yacht Charters. Acadamos 28, Athens 10671, Greece

HOTELS

SWITZERLAND

EUCHENA, GRAND HOTEL EUROPE, **** high class / low cost. Free parking. (041) 30 11-11, tlx 7965 CH

COLLEGES & UNIVERSITIES

A KENSINGTON DEGREE
CAN UNLOCK YOUR EARNING POWER
Kensington University offers BA + BS + MA + MS + PhD + JD
Registered with California
Accredited by Best Estimate
NO CLASSROOM ATTENDANCE
Fast, FREE evaluation
KENSINGTON UNIVERSITY
3330 N. HOLLYWOOD BLVD., #1
GLENDALE, CA 91206 U.S.A.

ESCORTS & GUIDES

INTERNATIONAL ESCORT SERVICE
USA & WORLDWIDE
330 W. 58th St., N.Y.C. 10019 USA
212-765-7896
212-765-7754
MAJOR CREDIT CARDS AND CHECKS ACCEPTED
Private Memberships Available

LONDON KENSINGTON
ESCORT AGENCY
10 KENSINGTON CHURCH ST, W8
Tel.: 937 9138 OR 937 9133
All major credit cards accepted.

LONDON
Portman Escort Agency
67 Chiltern Street,
London W1
Tel: 486 2234 or 486 1158
All major credit cards accepted

LONDON
BELGRAVIA
Escort Service.
Tel: 736 5877.

ARISTOCATS
London Escort Service
128 Wigmore St., London W.1.
All major Credit Cards Accepted
Tel. 487 42 41 / 42
12 noon - midnight

LONDON ESCORT SERVICE. Tel: 937 6574.

MADRID
SHADOWS ESCORT SERVICE
Credit cards. 2536019 - 2360620

PARLIAMENT
ESCORT SERVICE
NEW YORK 212-217-8121
CHICAGO 312-642-8462
Major Credit Cards Accepted

MAYFAIR CLUB
ESCORT SERVICE from 5pm
ROTTERDAM (0) 10-4254155
THE HAGUE (0) 70-60 79 96

CAPRICE-NY
ESCORT SERVICE IN NEW YORK
Tel.: 212-737 3291.

BASLE
Contis ESCORT Service
Tel. 061/43 14 35

BERNADETTE
AMSTERDAM ESCORT SERVICE
Credit cards accepted (020-527797

ROME CLUB EUROPE ESCORT & Guide Service. Tel.: 06/389 2604- 509 1146 (from 4 pm to 10 pm)

GENEVA ESCORT
SERVICE. Tel: 46 11 58

CHELSEA ESCORT SERVICE.
51 Beauchamp Place, London SW3.
Tel: 01 584 5513/2749 (9-12 pm)

ATHENS ESCORT AND GUIDE Service. Tel. 8086194.

LONDON GENIE ESCORT Service. Tel. 370 7151.

LONDON BEST ESCORT SERVICE
MEMBERSHIP & CENTRAL LONDON CREDIT CARDS. TEL: 235 2330

LONDON TOWN
ESCORT SERVICE
Heathrow, Gatwick 01-727086

***** MADRID
Glamour Escort Service. Tel: 259 90 02.

** ZURICH **
ALEXIS ESCORT. TEL: 01/47 55 82

* AMSTERDAM *
ESCORT SERVICE. 68 11 20

* * ZURICH * *
Caroline Escort Service 01/252 61 74

LONDON
STUDENT ESCORT SERVICE
ESCORT SERVICE 01-734 8771

LONDON FIRST ESCORT SERVICE
London & Heathrow
Credit cards. Tel: 01 245 0080

VIENNA ESCORT - AGENCY
37 52 39

FRANKFURT & SURROUNDINGS
Caroline's Escort & Travel Service. English, French, German, Scandinavian. Tel. (069) 43 57 63.

VIENNA STUDENT ESCORT Service. Contacts: 83 63 04. Credit cards accepted.

EURASIAN ESCORT Service London / Heathrow/Gatwick. Tel: 01 937 4432. Credit cards accepted.

LONDON SAMAR Arabic & European Escort Service, Arabic/French/Italian / English speaking. UK 01 221 8458

UOMINA AMSTERDAM ESCORT Guide Service. Tel. (020) 762842

FRANKFURT & surroundings, Private Collection Escort + Travel Service. Credit card accepted. 069/62-84-32.

DUSSELDORF - COLOGNE - BONN - Essen. Pam's escort & travel service. All credit cards. (021) 39 27 63.

LONDON TRUDE ESCORT Service. Tel. 01-373 8849.

MADRID IMPACT escort and guide service. Multilingual. 401 34 00.

VIENNA YOUNG ESCORT Service. Tel. 67 29 35 (Wien accepted).

FRANKFURT PRINCESS Escort Service. Tel. 720 731 or 722 940

NEW YORK, MIA & BENSI Escort Service. 212-223-0281. Credit cards.

SEGUSTA LONDON ESCORT Service. Tel: 01-402 3721/229 9435

BRIGITTE FRENCH SPEAKING Escort Service. Tel. London 01/262 6131

"DOMINA" - DUSSELDORF - Bonn - Cologne escort service. 0211/383141.

LONDON ORIENTAL GUIDE Service. Tel. 01-240 1440

ZURICH LORIN ESCORT Service. Tel 01/69 58 71.

MUNICH - BUSINESS ESCORT Service. Tel. 311 79 00 or 311 11 06.

LONDON MAYFAIR ESCORT Service. Tel. 01-928 0086

LONDON VIVIEN ESCORT Service, Heathrow & Gatwick. 01-385 7671

LONDON WEST ESCORT Service, Heathrow/Gatwick. Tel. 01-751 3300.

GENEVA MARTLIN ESCORT Service. Tel 36 55 72.

ZURICH MARY ESCORT SERVICE Tel. 47 87 64.

FRANKFURT, SUSANNE'S ESCORT Service. Tel: 069/74 42 75 or 61 48 76.

LONDON PARK LANE ESCORT Service, 01-821 0282

LONDON BLONDE ESCORT Service. Tel. 01-584 3803.

BRUSSELS MICHELE ESCORT and guide service. Tel. 733 07 98

BRUSSELS, CHANTAL ESCORT Service. Tel. 02/539 23 65.

DUSSELDORF-CLARISSA'S Escort Service 0211/374376. Credit cards.

FRANKFURT "TOP TEN" ESCORT Service. 069/59 68 55.

FRANKFURT, BINKY ESCORT & travel service. 069/755-72-10. Credit cards.

HIGH SOCIETY ESCORT SERVICE Amsterdam. Tel. (020-)64-6997.

ORIENTAL ESCORT SERVICE London 603 5726.

AMSTERDAM JEANET ESCORT Service. Tel. (020) 226-20 or 340110.

HAMBURG - MADEMOISELLE Escort Service. Tel. 040/45 31 29

AMSTERDAM ROSITA Escort Service. (0) 20-362883.

LONDON, ANN ESCORT Service. Tel. 01-733 88 47. Credit cards accepted.

COPENHAGEN Stockholm Miss Scandinavia Escort Service. (43)01-34 17 06

FRANKFURT - FRITZI'S Escort & Travel Service. Tel. 069 / 68 24 05

FRANKFURT FOLAND ESCORT Service. Tel. 069/63 41 39.

LONDON SCANDINAVIAN Escort Service. Tel. 01-589 3177

LONDON SWEDISH ESCORT Service. Tel. 01-624 0891.

MADRID, NEW LOOK Escort & Guide service. 250 79 95. Cards.

MUNICH - BUSINESS ESCORT Service. Tel. 91 23 14

MUNICH - SECRET ESCORT & Guide Service. Tel. 089 / 44 80 039.

ROMEO & JULIET ESCORT SERVICE London Tel: 01-409 0773.

TWIN SISTERS ESCORT SERVICE. London. Tel: 229 5183.

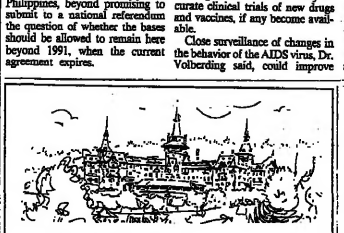
AMSTERDAM HOTEL ESCORT Service (020-345007.

HAMBURG - ROYAL Escort Service. Tel. 040/5534145.

LONDON MAYFAIR ESCORT Service. Tel. 01-928 0086

LONDON ONLY JAPANESE ESCORT Service. Tel. 01 821 0627.

LONDON ESCORT AGENCY. Tel. 723 3339.



A HOUSE OF TRADITION, AN OUTSTANDING REPUTATION FOR THE VERY HIGHEST STANDARDS.
DOLDER GRAND HOTEL, ZURICH.
Raoul de Gendre, Dir. Kurhausstrasse 65, CH-8032 Zurich.
Telephones: 01/251 62 31. Telex: 816416 grc ch

Among the riches of Beverly Hills, a little gem of a hotel.

The Beverly Pavilion is one of two small, fashionable Beverly Hills hotels that are run in the European style, under the direct supervision of the proprietor himself. And we offer our guests the ultimate Beverly Hills experience: free limo service to glorious Rodeo Drive.

BEVERLY PAVILION
A Mark Parif Hotel
9360 Wilshire Blvd., Beverly Hills, CA 90212. Telex No. 691 366.

Damascus Says Release Of Western Hostages In Lebanon Is 'At Hand'

By Ihsan A. Hijazi
New York Times Service

BEIRUT — The release last week of two French television journalists who had been held by Moslem militants was the beginning of the end of captivity for all Western hostages in Lebanon, according to Syria.

"The end of the ordeal of the foreign hostages in Lebanon is at hand now that two of the French captives have been freed," the state-controlled Damascus radio said in a commentary.

Five Americans and seven Frenchmen are among the Westerners missing in Lebanon.

The Damascus radio did not say what was basing its conclusion on assurances from the kidnappers that the end of the hostages' captivity was near.

In the commentary, which was monitored here, the radio station put emphasis on a statement by the Syrian foreign minister, Farouk al-Sharaa, that his country would spare no effort to achieve the release of the hostages. Some have been missing for more than two years.

Mr. Sharaa made the promise in Damascus on Saturday when he received the two Frenchmen who had been freed in West Beirut the day before. The two, Philippe Rochot and Georges Hansen, were among four members of a French television crew taken captive March 8. The other two remain in captivity.

Prime Minister Jacques Chirac of France telephoned President Hafez al-Assad of Syria on Sunday to thank him, the Syrian government press agency reported. It said the leaders decided to take steps toward deepening Franco-Syrian relations.

The Damascus radio referred to the release Saturday of two Greek priests who had been students at the American University of Beirut when they were kidnapped at the end of April. The students, Stavros Lemnaki and Panayiotis Tirkas, were flown to Cyprus by a Lebanese Army helicopter.

No group has taken responsibility for their kidnapping, but reports in the press here Sunday attributed it to the Islamic Liberation Organization, an underground faction that last fall took responsibility for seizing four Soviet diplomats and killing one of them before freeing the three others.

The group that said it had freed the Frenchmen, the Organization for Revolutionary Justice, cited Syrian and Algerian efforts on behalf of the captives, but it emphasized what it said was a positive shift in France's Middle East policy. It called for more such changes in the interest of obtaining the release of the two other French television crew members it says it is holding.

Another group, Islamic Jihad, has said it is holding an additional four Frenchmen. Gunmen seized still another in the Moslem part of Beirut in May, but no group has claimed responsibility for kidnapping him.

Islamic Jihad has taken responsibility for kidnapping the five Americans still missing. It has asserted that it killed one of them last October, but no body was found.

Two Britons, an Irishman, an Italian businessman and the second secretary of the South Korean Embassy have also been reported missing in West Beirut.

Rashed Abu Sofi/Reuters

Dynamite Blast Kills 8 in Egypt

Egyptians examine the scattered pieces of a truck carrying dynamite that blew up in Tebein, near Cairo, on Monday. The explosion killed eight persons, wounded 15 and damaged houses.

Adviser to Walesa Queried Over Ties To U.S. Diplomat

The Associated Press

WARSAW — A Catholic priest who is a close adviser to Lech Walesa was questioned by the police Monday about his ties to a U.S. diplomat in Warsaw who has been accused publicly of spying, the priest said.

The Reverend Henryk Jankowski said he was asked repeatedly about the diplomat, Stephen D. Mull, a second secretary at the U.S. Embassy, and where had he met him.

"I repeated several times that I treat Mull as my good friend and as a great, nice man," Mr. Jankowski said by telephone from St. Brygida's church in Gdansk. He accused the Communist authorities of harassment by summoning him "for a stupid talk."

Reports Friday by the press agency PAP and state television alleged that Mr. Mull was engaged in intelligence work. The television network also broadcast police photographs taken of Mr. Mull with Father Jankowski and with Bronislaw Geremek, an adviser of Mr. Walesa.

Israel May Retire Chief Of Security in Scandal

Reuters

JERUSALEM — Israeli leaders are considering early retirement for Avraham Shalom, head of the internal security service, to avoid an embarrassing inquiry into allegations that he ordered the killing of two Arab guerrillas captured in 1984, political sources said Monday.

The proposal was raised Sunday night when the new attorney general, Yosef Harish, told Prime Minister Shimon Peres and other cabinet members that an investigation seemed inevitable.

Mr. Peres agreed with Mr. Harish, but other ministers suggested that retirement for Mr. Shalom could avert an inquiry certain to damage Shin Beth, the security service. Mr. Harish is expected to announce Tuesday how the case will be investigated.

Mr. Shalom's deputies have alleged that he ordered his agents to beat to death two Arabs captured after a bus hijacking, then initiated a cover-up.

Foreign Minister Yitzhak Shamir, prime minister at the time of the hijacking, arrived in France on Monday, saying he would curtail his three-day visit by a day because of the scandal.

Asked whether his objection to an inquiry was motivated by fears he might be implicated, Mr. Shamir said: "This is untrue. This is defamation."

The sources said one proposal raised at the meeting was for a commission that would recommend ways to avoid future killings of captured guerrillas but would not investigate the 1984 incident.

Mr. Harish, a former judge, has pledged that there will be no whitewash in the case.

Israeli Nurses Go on Strike

Reuters

TEL AVIV — Israeli hospitals sent up to half of their patients home Monday as 11,000 nurses began an indefinite strike for higher pay and a recognition of their new union, which broke away from the Nurses Union, health officials said.

...uf Visits North Korea

United Press International

TOKYO — President Abdou Diouf of Senegal was welcomed in North Korea by more than 100,000 people Sunday, the Korean Central News Agency said Monday.

Soviet Opens War on 'Unearned Income'

By Celestine Bohlen
Washington Post Service

MOSCOW — The Soviet Union has declared an all-out war against "unearned income," but it is having trouble defining the enemy.

In its simplest, most direct sense, unearned income in the Soviet Union means illegal income, whether from bribery, speculation, extortion, misuse of state equipment for private gain or other unauthorized economic activity.

These crimes are the target of a new decree taking effect July 1.

But unearned income also has other meanings, vague and ill-defined, which have come to signify forms of private enterprise — "individual work," ranging from home, vehicle and appliance repairs and interior decorating to giving people rides for money.

A recent article in Sovetskaya Industriya estimated that up to 20 million people in the Soviet Union were engaged in "individual work" — in other words, receiving unearned income.

This is the gray area of Soviet law and economics that many had hoped the new leadership under Mikhail S. Gorbachev would elucidate, define, and in some cases, perhaps, legalize.

Before the 27th congress of the Soviet Communist Party convened in February, articles appeared in the press advocating limited private enterprise — for instance, allowing car owners to charge for rides or permitting artisans to repair shoes or decorate apartments.

Given Communist ideology, such trespassing into the realm of private profit is complicated. But, as many experts have pointed out, legalization of such activities would simply be the acceptance of reality.

It would also allow the government to profit through taxes and to regulate against excesses.

But instead of new laws broadening the scope of private enterprise, the first statutes are designed to control and penalize "private" incomes.

"They are starting with the controls," said a Western expert on the Soviet economy. "What follows is not clear."

Or, as a Soviet citizen put it, "First, they tell us what is forbidden before they tell us what is to be allowed."

In an interview in the government newspaper Izvestia, the country's chief prosecutor, Alexander M. Rekunkov, stressed that a law on private enterprise was in the process of being developed. "The point," he said, referring to individual private work, "is not to forbid but, on the contrary, to develop it."

Despite these promises, there is confusion over the timing and meaning of the new decree against unearned income and an accompanying campaign in the press.

The principal target of the new decree, put out last month by the Communist Party and adopted last week by the Supreme Soviet, is criminal activity, particularly anything involving misuse of government property or official position.

A driver of a government car who uses it for personal gain is liable to criminal sanctions — two years in prison or fines ranging from the equivalent of $390 to $1,300.

Government officials with fancy dachas — country cottages that are among the most conspicuous manifestations of wealth in this country — may be asked to show how they paid for them. This has already prompted some people in the last few weeks to turn over their dachas to the government, according to reports circulating here.

The decree also provides for new charges of criminal mismanagement of government property, charges that could apply to misuse or neglect of equipment.

Bribe-takers and extortionists, particularly in high government and party offices, are put on notice: the higher the rank and the greater the sum of the bribe, the stiffer the penalty.

The new toughness was apparent recently when the Kremlin formally annulled honors commemorating the late Sharaf R. Rashidov, leader of the Uzbek Republic who was a close friend of Leonid I. Brezhnev. Mr. Rashidov was accused of inflicting "tangible moral and material damage" on his republic.

For average citizens, there are new regulations aimed at tracking and controlling excess income, often synonymous here with "unearned," considering that the average monthly salary is equal to $247 a month.

As of July 1, if a Soviet citizen buys something worth more than the equivalent of $13,000, he must show where the money came from. Purchases of more than $6,500 cannot be made in cash, only through transfers from savings accounts.

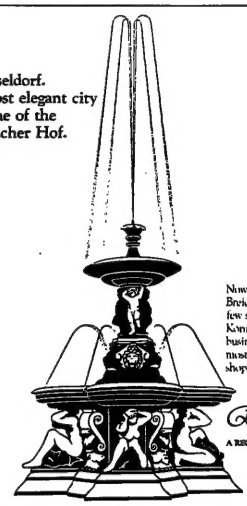
In addition, a new tax is being proposed for income earned outside a person's main job. So far, however, many of these new regulations are still unclear. As Izvestia pointed out, the control mechanism is being "perfected."

In the past weeks, newspapers, experts and citizens have been debating the key question: When is income "earned" and when is it "unearned?"

Mr. Rekunkov, the prosecutor, tried to define the difference: When a person with a private plot of land grows cucumbers and sells them for profit at the market, he said, that is earned income.

But if the person who sells cucumbers for profit does not have another job — or has one only "for appearance's sake" — then the income from the cucumbers is "inadmissible."

Düsseldorf.
Germany's most elegant city and home of the Breidenbacher Hof.



Now a Regent, the Hotel Breidenbacher Hof is just a few steps from the tree-lined Königsallee, the banking and business centre, and the city's most fashionable and elegant shopping.

Breidenbacher Hof
DÜSSELDORF
A REGENT INTERNATIONAL HOTEL

AUCKLAND BANGKOK BEVERLY HILLS CHICAGO DÜSSELDORF FIJI HONG KONG KUALA LUMPUR LONDON MELBOURNE NEW YORK SYDNEY
DÜSSELDORF 02111-8601, TELEX 8582630; FRANKFURT 069-23-0448; LONDON 01-245-6161.

A RICHER EXPERIENCE.

Pan Am is doing many things, in the air and on the ground, to make sure our First and Clipper® Class passengers get the treatment they so richly deserve.

MORE COMFORT THAN EVER IN CLIPPER CLASS.

Our Clipper Class service will be renewed and made better in virtually every way. With new fabrics, carpeting and curtains everywhere you look. And with handsome new tweed seats, arranged six-across on every 747 we fly, to give you more room to work or relax than you'd get in some airlines' First Class sections.

In Clipper, on all our 747s, our new tweed seats will be arranged six-across, as before, to give you more room to work or relax.

MORE LUXURY THAN EVER IN FIRST CLASS.

Over the next few months, we'll be completely renewing and redesigning the First Class sections on all our 747s, starting with our transatlantic and domestic USA fleets, and following soon after with our planes on the South America, Asia and Africa routes.

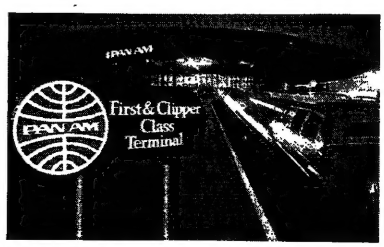
We'll have bright new interiors, innovative new cuisine, and beautiful new leather-and-sheepskin Sleeperette® Seats so soft, they literally mold themselves to your body.

Our new First Class Sleeperette Seat will cradle you in buttery-soft glove leather and plush sheepskin.

A PRIVATE TERMINAL JUST FOR YOU IN NEW YORK.

Our new First and Clipper Class Terminal at JFK Airport will let you experience new heights of luxury and comfort even *before* you leave the ground on your trip back from New York.

Here you can relax in an atmosphere more reminiscent of a fine hotel than an airport, while a friendly helpful staff attends to all your travel needs. So fly with us soon and get the treatment you so richly deserve.



You won't be checking in at our new terminal; we'll do it for you.

For reservations and information call your Travel Agent or Pan Am.

Pan Am's All-New First Class & Clipper Class.

Pan Am. You Can't Beat The Experience.®

INTERNATIONAL Herald Tribune
Published With The New York Times and The Washington Post

OPINION

Stability for Spain

Spanish voters, as expected, have given Prime Minister Felipe González and his Socialist Party a second four-year term in office. The vote strengthens Mr. González's prestige as one of Western Europe's major statesmen. It consolidates and enhances Spain's recently gained role as a full member of the Western alliance — of NATO and the European Community.

Only three months ago, on March 12, Mr. González had to stake his political survival on a referendum in which he asked voters to endorse continued membership in NATO after he himself, in a spectacular reversal, had given up earlier opposition to the alliance. That time the result was uncertain until the last day of the campaign. This time the outcome was a foregone conclusion.

Mr. González campaigned on a platform of continuity. The Socialists argued that the country must continue their past policies of relying on long-range economic growth to create jobs and promote social justice and equality. There were no rash promises. Socialist voters accepted the argument, even though unemployment has risen under Socialist rule.

The Socialists won some 45 percent of the vote, roughly the same as in 1984. The conservative Popular Coalition of Manuel Fraga Iribarne, a prime minister under the late General Franco, was unable to poll more than 25 percent — the ceiling at which the right-wing vote appears to be stagnating. The Democratic and Social Center of former Prime Minister Mario Suárez emerged as a small but important third party, far behind the Socialists and conservatives. A worrying aspect of the election was that Herri Batasuna, the political arm of ETA, the Basque terrorist organization, was able to increase sharply its share of the vote.

The voting took place in a climate of workaday normalcy. The fact deserves to be underlined. It is, after all, only 10 years since political pluralism was restored after a lapse of two generations, and only five years since right-wing officers took over the Cortes in an unsuccessful coup. Spain is a functioning democracy, its political stability no longer in question.

INTERNATIONAL HERALD TRIBUNE.

Uphill in the Andes

The bloody insurrections at three Peruvian prisons are a new stage in a corrosive internal war that has been going on for six years. These revolts were timed to coincide with the Socialist International congress in Lima, and perhaps the prisoners had calculated that the presence of eminent foreign visitors would constrain President Alan García in his response. If that was their assumption, it has turned out dramatically badly. The army has put down the insurgency with great loss of life.

In the president's behalf, it has to be said that these were no ordinary prison riots. Some prisoners had automatic rifles and submachine guns. It was not an attempt to escape but an attack on the García government and its authority. In a gruesome sequel, a guerrilla was killed when her mortar blew up as she aimed it at the hall where the Socialist International was meeting.

These events appear to have been organized by Sendero Luminoso, the strangest political movement in the Western Hemisphere. Although it is usually described as Maoist, there is more to it than that. It has a racial component; although the movement includes some intellectuals and students, it is a rebellion on behalf of the Indian peasants against the white middle class that runs the country. It is also a rebellion against deepening poverty. It began in the poorest regions of the Andean highlands and only later reached the coastal cities — assisted, possibly, by Peru's spreading poverty.

The economy has been declining for more than a decade. One reason is the long depression in the world copper market. Another, more important, has been a series of mistakes first by the military government and then by its civilian and democratic successor. Mr. García, elected a year ago, pledged to bring both growth and greater equity to the economy, and for a time he was making progress. But lately there seems to have been a loss of momentum.

As a democracy under great duress, Peru deserves its friends' respect and concern. It would be comforting to think that foreign aid could resolve this unhappy country's troubles, and that foreign advice and support could change its history. But first there are fundamental changes — all terribly difficult — that only Peruvians can undertake.

The country remains excessively dependent on one export, copper, and is finding it hard to move to other products. More important, the distances between ethnic groups, between rich and poor and between highlands and the coast remain dangerously wide. That is where change will have to begin before foreign help can make more than a marginal difference.

— THE WASHINGTON POST.

Jorge Luis Borges

Since the death of Jorge Luis Borges on June 14, his many admirers have been bemoaning the fact that the celebrated Argentine fantasist and literary gamester never received the Nobel Prize for Literature. Mr. Borges seems not to have cared. And it would have been incongruous if such a writer, whose work inquired into the paradoxes of time and memory, the riddles of consciousness, had attached importance to what any single authority saw in his work. "Fame," observes the narrator in one of his greatest short stories, "is a form of incomprehension, perhaps the worst."

Mr. Borges' literary and linguistic playfulness — riddles, translations of imaginary essays citing imaginary sources, encyclopedias of nonexistent planets — suggests lightness, but the lightness masked philosophic weight. He influenced a raft of writers, from Italo Calvino to Gabriel García Márquez, and also opened, with his jokes, passages through which metaphysical questions can be glimpsed.

"The Library of Babel," part parable, part science fiction, posits a universe that is a library — an endless one of identical rows of shelves, room upon room of identical rows of books, nearly all of which, when opened, are utter gibberish. In "perhaps the main event of history," an inhabitant of this universe discovers its principle: "The Universe, which others call the Library," contains one copy of every possible combination of the letters of the alphabet. It logically follows that most of the books will be nonsense; also that somewhere in the Library can be found every work of literature in every language, every true and untrue statement ever made, the history of every inhabitant's life, and the catalog revealing every book's location and the ultimate order of the place. Unfortunately, the numerical odds are against anyone finding it, or indeed any coherent text.

In the apparent lunacy of this vision lies a novel and provocative sense of our own mental worlds and the search for meaning. The world's library, or universe, gained much from Jorge Luis Borges. He opened doors to rooms of thought and magic that cannot be reached by the more familiar and straightforward uses of words.

— THE WASHINGTON POST.

Other Comment

Not the Whites Who Say No

If South Africa's Western partners are no longer able to gear their policy on South Africa to the willingness of Pretoria's rulers to achieve reform, what is left for them to put forward as justification for taking a moderate line? Economic boycott will never make a constructive contribution to the development of a democratic and free society. However, if the moderates in South Africa — white and black alike — are no longer to have a say in shaping the new order, there is every reason to wonder whether it would not be better to break off all relations and, even now, put out feelers to those who will hold power in the future. This definitely will not be the whites who always say no. It is about time to give President Botha's government an unmistakable sign that the West is well on the way to making such a move.

— *Neue Zürcher Zeitung (Zurich).*

[Apartheid is] morally unsustainable, not only because it discriminates against men on the basis of the color of their skin but also and above all because it ignores the dignity of the human person and damages the fraternity among men. [The solution is] the recourse to reason, to the method of negotiation between the opposed parties.

— *L'Osservatore Romano (Vatican City).*

America's Elected Monarch

The important point about President Reagan is that he is actually America's first figurehead president. Virtually all his triumphs, all his political successes, have been ceremonial. He is not in Washington to govern the country but to make people feel united and good about being American. Whatever might be thought in Europe, it is a job he does superlatively well.

Washington is full of people who will tell you privately that Mr. Reagan is a fool. Few choose to say it in public. The president's role is now remarkably similar to that of our queen. He is the symbolic embodiment of America's sense of itself: amiable, slow to anger, decent, not remotely intellectual.

The real function of the raid against Libya was not military but ceremonial. It was an event which had no purpose except to unite the country and to spread a general air of well-being and contentment.

— *Simon Hoggart in The Observer (London).*

INTERNATIONAL HERALD TRIBUNE
JOHN HAY WHITNEY, *Chairman 1958-1982*
KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER
Co-Chairmen
LEE W. HUEBNER, *Publisher*
PHILIP POISIE, *Executive Editor* • WALTER WELLS, *Editor* • SAMUEL ABT, KATHERINE KNORR, and CHARLES MITCHELMORE, *Deputy Editors* • CARL GEWIRTZ, *Associate Editor* • ROBERT B. WHITCOMB, *Financial Editor* • ROBERT J. DONAHUE, *Editor of the Editorial Pages*
RENÉ BONDY, *Deputy Publisher* • ALAIN LECOUR and RICHARD H. MORGAN, *Associate Publishers* • STEPHAN W. CONAWAY, *Operations Director* • FRANÇOIS DESMAISONS, *Circulation Director* • ROLF D. KRANEPUHL, *Advertising Sales Director*
International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698.
Directeur de la publication: Walter N. Thayer.
Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel.472-7768. Tlx.RS36028
Managing Dir. Asia: Malcolm Glass, 50 Gloucester Road, Hong Kong. Tel. 5-263616. Telex: 61170
Managing Dir. U.K.: Robin MacGlashan, 63 Long Acre, London WC2. Tel. 836-4802. Telex: 262009
Gen. Mgr. W. Germany: W. Lauenstein, Friedrichstr. 15, 6000 Frankfurt/M. Tel. (069) 726755. Tlx.416721
Pres. U.S.: Michael Cowles, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 753-3890. Telex: 421775
S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337
© 1986, International Herald Tribune. All rights reserved. ISSN: 0294-8052.

The President Is Right to Prefer Real Arms Control

By Kenneth L. Adelman

The writer is director of the U.S. Arms Control and Disarmament Agency.

WASHINGTON — The Armed Services Committee of the U.S. Senate agreed unanimously in 1979 that SALT-2 was not in America's "national security interest." The treaty was never ratified. It never had the force of the law. It never subsequently gained the support needed for ratification. The chief prediction of its critics — that it would permit a vast modernization and expansion of Soviet strategic forces — has come true, in spades. On top of all this, the Soviet Union is violating the central provisions of the agreement.

What could be more clear-cut? Why do the critics of the Reagan administration say that the United States should continue to abide unilaterally by SALT-2?

First, Soviet violations are alleged to be "peripheral."

Mr. Reagan's critics would like to have it both ways. When SALT-2 was up for ratification in 1979, supporters commonly cited three provisions as its main advantages: numerical limits (on warheads-per-launcher and overall launchers); the prohibition on a second new type of land-based intercontinental missile; restraints on encoding test data. The Soviets are completely contravening the provisions on new missiles and encoding and have exceeded the limit on missile launchers. Provisions hailed as central when SALT-2 was being sold cannot be called "peripheral" now that the Soviets are violating them.

Second, Soviet violations are said to be "ambiguous" or unimportant.

The new, SALT-violating SS-25 missile is in no sense marginal. It is one of two powerful new land-based strategic missiles that the Soviets are adding to their arsenal. In short, a major portion of the current Soviet buildup of land-based missiles is occurring in contravention of SALT-2.

The violation is clear since the throw-weight, or payload, of the SS-25 missile is not, as some critics continue to claim, "slightly" greater than its alleged predecessor, the SS-13, but roughly twice that — clearly beyond the 5-percent increase permitted by the treaty. In addition, the Soviets' scrambling of their test signals is seriously impeding verification.

Third, it is sometimes claimed that the Soviets have dismantled 1,000 or more systems to comply with SALT.

This is contradicted by the Soviet claim to have dismantled only 540 weapons under SALT.

More important, what the critics' figures really demonstrate are not the quantitative limits on the Soviet arsenal but the vast qualitative growth of the Soviet arsenal under the treaty.

Fourth, critics claim that without SALT-2 the Soviets will not increase the number of their warheads and accelerate their arms buildup.

The basic notion that SALT is significantly constraining the Soviet buildup now, or would do so in the future, is an illusion. It presumes future compliance with critical provisions, when we already have seen clear and major violations of key parts of the treaty.

Even while adhering to terms of SALT-2, the Soviets have nearly doubled their strategic warheads, from 5,000 to 9,200. Under SALT-2 the number could rise further to 12,000 by 1990. With or without SALT-2, we envision a 5- to 7-percent growth in Soviet strategic investment every year as far ahead as we can see. With or without SALT, we envision an all-new Soviet land-based missile force in the next decade. If this is constraint, it is hard to envision a lack of constraint. With their defense spending running at 15 to 17 percent of GNP, the Soviets already have their accelerator near or on the floor.

Fifth, it is argued that Mr. Reagan's decision is bad for America's allies.

Despite extensive consultations with the allies, there have been some allied disagreement and some adverse effects on allied public opinion. We naturally regret this. As the reasoning for the president's decision and the facts become better known, we hope this will change. We hope our allies' concern will be alleviated.

But short-term popularity cannot be the criterion by which we judge the wisdom of policy. The overriding concern must remain long-term strategic safety and genuine arms control. Continued adherence to an ineffective and unratified treaty that our adversary is seriously violating is not cost- or risk-free. As Mr. Reagan has said, what is needed are real reductions. Only this will ultimately provide a solid basis for mutual restraint.

Sixth, it is alleged that the administration wants an "all-out arms race."

This is simply false. Anyone who reads Mr. Reagan's decision against SALT-2 and listens to what he is saying will see that he has provided a clear new formula for restraint that will be more effective than SALT.

He pledged, for example, that the United States will not increase launchers of ballistic missile warheads above Soviet levels. This is a serious pledge, one that creates real costs for a Soviet buildup and provides real rewards for Soviet reductions and restraint — just as genuine arms control should do. It is verifiable and do-able. In contrast, continued unilateral observance of SALT-2 in the absence of Soviet compliance would merely reinforce the dangerous idea that Soviet violations can easily be tolerated. It would also likely encourage further violations and convince the Soviets to continue their drive for military superiority.

As Mr. Reagan has repeatedly made clear, what we want above all are serious negotiations in Geneva leading to agreements with which the Soviets will comply — to equitable and verifiable reductions in American and Soviet nuclear arsenals.

The New York Times.

Logic Loses to Ideol[ogy] In Reagan's Arms Pr[ogram]

By Paul C. Warnke

The writer is a former director (1977-1978) of the U.S. Arms Control and Disarmament Agency.

WASHINGTON — President Reagan's decision to abandon controls on nuclear arms opens the floodgates for Soviet warheads and cripples America's ability to measure the increased nuclear threat. Ironically, it is squarely at odds with Mr. Reagan's own strategic objectives.

Unless intended as a bargaining ploy — a possibility that may explain the more conciliatory tone of the president's speech at Glassboro, New Jersey, last Thursday — the decision is a sweeping one that cancels the limits of both the SALT-2 treaty and the 1972 SALT-1 agreement on offensive weapons. Subsequent statements of advisers who have long urged the president to take this action, such as Secretary of [illegible] Casper Weinberger, [illegible] the 1972 anti-ballistic [illegible] is their neat target.

Officials have sought to [illegible] the prospect that this decision [illegible] create a major increase in [illegible] threat. But it is obvious [illegible] the face of the administration's [illegible] secret goals of reducing offensive [illegible] clear weapons and pursuing [illegible] tegic Defense Initiative. The [illegible] istration has repeatedly [illegible] desire for deep cuts in the [illegible] bilizing of nuclear weapons [illegible] land-based, multiple warhead [illegible] continental ballistic missiles.

Even the highly optimistic [illegible] the SDI depend, for any [illegible] success, on major cuts in [illegible] tegic warheads. SDI offi[illegible] been candid in expressing [illegible] about dealing with the [illegible] 10,000 Soviet ballistic missile [illegible] heads. Their plans have [illegible] cated on a reduced Soviet [illegible]

The president's decision [illegible] doms his dream of a defense [illegible] world. Both the realization [illegible] offensive nuclear warheads [illegible] and the more ephemeral [illegible] of this facilitating an effective [illegible] fense are dashed by his decision.

One source of such hope [illegible] mally immediate. The Soviet [illegible] is up against the SALT limits [illegible] all nuclear delivery vehicles [illegible] more important, in the [illegible] on both multiple warhead [illegible] missiles and heavy missiles.

The Soviets have dismantled [illegible] destroyed more than 1,200 [illegible] and launchers as more advanced [illegible] tegic systems have been [illegible] With the ceilings lifted [illegible] and SS-25 missiles can be [illegible] additions, rather than replacements.

Washington's refusal to [illegible] tions on strategic defenses [illegible] indications that it will pro[illegible] this means repudiation of [illegible] treaty, provides a powerful [illegible] for the Soviet Union to [illegible] offensive warheads. As Mr. [illegible] ger said in his pre-summit [illegible] President Reagan in Nov[illegible] likelihood of a Soviet [illegible] fense would require an [illegible] U.S. offensive forces and [illegible] to penetrate the Soviet defenses [illegible] is no reason to feel that [illegible] Union will be more inclined [illegible] U.S. defensive measures.

The Soviet Union has [illegible] for major increases in [illegible] heads. Under the SALT [illegible] each SS-18 can have no more [illegible] warheads — although each [illegible] could readily accommodate [illegible] twice that number.

Another source of more [illegible] warheads would be conversion [illegible] intermediate-range SS-20 [illegible] intercontinental-range SS-16. [illegible] bars production of the SS-16 [illegible] third stage of the SS-20. Adding [illegible] third stage would produce a [illegible] missile with three warheads [illegible] could strike America as well [illegible] NATO and Asian allies.

Apologists for the administration [illegible] argue that the Soviet Union [illegible] has all the warheads it needs [illegible] sity, however, is rarely the [illegible] force in decisions on strategic [illegible] ons. My experience in deal[illegible] Soviet officials suggests that [illegible] respond aggressively to what [illegible] gard as an aggressive act. If the [illegible] ed States breaches SALT limits [illegible] will feel compelled to do so.

At Glassboro, Mr. Reagan [illegible] to imply that his anti-SALT [illegible] had produced new and better [illegible] proposals. What Moscow has [illegible] tabled in Geneva, however, [illegible] logical development of ideas [illegible] back to the January speech of [illegible] al Secretary Mikhail Gorbachev. [illegible] any case, the question is not [illegible] the bargaining climate has been [illegible] proved, but whether the administration is ready to bargain.

It should be noted that seven [illegible] ago, in supporting ratification [illegible] SALT-2 treaty, the U.S. Joint [illegible] testified that its restriction[illegible] more heavily on Soviet forces [illegible] those of the United States [illegible] even more true today.

In contrast, there are no [illegible] or military reasons for the Soviet [illegible] dismantle ICBMs. The SS-24 [illegible] 25 are mobile missiles, so the [illegible] Union does not need to use [illegible] silos or to build new ones. [illegible] that it is far better placed [illegible] United States to make significant [illegible] creases in its nuclear arsenal [illegible] firmed in studies by the CIA [illegible] Defense Intelligence Agency.

The decision to scrap S[illegible] ideological rather than [illegible] should be reconsidered and [illegible] One can hope that the G[illegible] speech is the start of that process.

Los Angeles Times.

Suddenly, the Greening of the Development Banks

By Edward C. Wolf

WASHINGTON — Environmental conscience has entered the arena of international lending. And it has received its strongest support from an unlikely corner — the U.S. government. Almost overnight, the United States has begun to press the multilateral development banks for lending policies that protect the environment in recipient Third World countries.

The World Bank and the smaller regional banks of Africa, Asia and Latin America pour more than $20 billion each year into development projects in the Third World. Including additional loans from national governments and private banks, the multilateral banks stimulate investment of perhaps $65 billion each year, by far the world's largest source of development aid.

Many bank-assisted projects are undertaken on a massive scale and have inescapable environmental consequences. A $1.6-billion road-building and settlement program in the Brazilian Amazon introduced hundreds of thousands of people into rain forests, causing widespread deforestation. India's $5.9-billion Sardar-Sarovar Reservoir, the first phase of a huge irrigation and power project in the Narmada River Basin that will ultimately inclnde 30 major dams, will flood 235 villages and displace 100,000 people. Environmental degradation, not economic growth, often results from these mega-projects.

"It is time for the development banks to recognize that protecting a nation's environmental resources is essential for any development project to succeed," said Senator Robert Kasten, the Republican chairman of the Subcommittee on Foreign Operations, which oversees U.S. participation in the banks. "If the resource base collapses, so, too, will the economy."

In 1984 the Reagan administration and Congress agreed on 19 environmental guidelines for U.S. participation in the multinational banks. Last December Mr. Kasten's subcommittee was instrumental in passing legislation that instructed the banks' U.S. executive directors (who vote on all loan requests) to promote environmental reforms when considering new loans to Third World borrowers. The U.S. Treasury Department and the State Department, agencies not known for their environmental activism, are now implementing this new policy and encouraging other donor countries to take similar steps.

On May 1, 1986, witnesses from eight donor and borrower countries told the U.S. Congress of their support for the U.S. initiatives. Several noted progress, such as the World Bank's decision to suspend $250 million in loans to Brazil after reports of widespread deforestation and outbreaks of malaria in the Ajuazon land settlement program. Others argued both for even stronger oversight and for fundamental changes in the design of bank-sponsored projects.

Rethinking development priorities has gone furthest in Africa, where environmental deterioration is arguably more severe than on any other continent, and where the economic effects have been most devastating. But financial crises in Third World countries threaten to slow this momentum toward environmental reform.

The new World Bank president, Barber Conable, is in a position to put ecological guidelines on a par with financial criteria in the lending policies of the largest development bank. He faces the dilemma of balancing necessary short-term economic adjustments with the long-term commitment to environmental quality that is essential to sustained economic improvement. At this turning point for the World Bank and other multilateral lenders, support from the United States and other donor countries can tip the scales in favor of a strong environmental policy.

The writer is a senior researcher at the Worldwatch Institute in Washington and a co-author of "State of the World 1986." This comment was distributed by Worldwatch Features.

ASEAN Is an Unfinished Vehicle at a Crossroads

By Jusuf Wanandi

JAKARTA — When ASEAN, the Association of Southeast Asian Nations, was formed in 1967, the newly established Indonesian government under President Suharto considered it as a means of regaining the confidence of neighbors. That trust had been severely damaged by the previous Indonesian administration under President Sukarno, which launched an armed confrontation in a successful effort to break up the Malaysian federation.

Mr. Suharto also wanted to promote regional economic development, since mismanagement by the Sukarno regime had made the country fall behind others in the region.

Under the Suharto government, Indonesia has developed close relations with its ASEAN partners — Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Non-Communist Southeast Asia has remained stable, enabling Indonesia, by far the largest ASEAN member, with an estimated population of 170 million, to achieve an average annual growth rate in per capita GNP of about 5 percent for much of the last 20 years.

Ten years ago concerns were expressed about the attractiveness of the Vietnamese development model for ASEAN countries. Today the states of Indochina are suffering from prolonged economic stagnation, and Vietnam now shows great eagerness to learn from ASEAN.

But the key question is not whether ASEAN, in its 20th year, has fulfilled the aspirations of its founders: It is whether ASEAN cooperation in various fields has reached a level that is sustainable for the next 20 years.

This is something ASEAN foreign ministers should be considering carefully at their annual conference, currently being held in Manila.

Perhaps ASEAN's most important achievement is the growth of a sense of solidarity. This plays an important role in ASEAN's political collaboration, especially in dealing with the conflict over Cambodia, although an inability to show concrete results in resolving that issue has put the group under growing pressure from within.

ASEAN members have engaged in practical cooperation in a number of fields, including telecommunications and energy. But in the economic arena, competition for markets among ASEAN countries, both in primary commodities and in light manufacturing, has become more fierce.

Defense cooperation is undertaken outside the association and will remain limited in scope.

So ASEAN has a mixed record, and the summit meeting of its heads of government, scheduled for July 1987 in Manila, needs to give fresh impetus to regional cooperation.

In Jakarta, questions are being raised over whether Indonesia should continue to regard ASEAN as a cornerstone of its foreign policy, or simply as one of the many multilateral bodies in which Indonesia actively participates, such as the nonaligned movement and the Organization of Petroleum Exporting Countries.

Some observers maintain that the time has come to elevate ASEAN's role in regional economic management to cope with growing competition between members. In the production and sale of commodities, for example, there will be greater competition between Malaysia and Indonesia in palm oil, rubber and cocoa. While Indonesia is expanding cultivation and has a competitive edge over Malaysia because of much lower labor costs, it faces mounting competition from Malaysia in exporting liquefied natural gas.

If ASEAN were to pool resources in industrial development, the region would become much more attractive for foreign investment.

From its inception, ASEAN has opted for minimal bureaucracy, so as not to repeat the experiences of the European Community. However, it is recognized now that its organization is inadequate. Long-term planning and imagination, and a readiness for institutional change, are not evident.

A high-level ASEAN task force has proposed strengthening its institutions, starting from the top, with establishment of a council of ministers that would include those with economic responsibilities. It has been suggested that heads of state and government should participate more frequently in ASEAN affairs, to raise the level of members' commitment.

Renewed commitment to ASEAN should filter through to the bureaucracies of member countries. It should be taken into account in the formulation and implementation of national foreign policy, and economic and industrial development plans.

Economic cooperation between ASEAN partners should not be inward-looking but should focus more on the Asia-Pacific region, including North America, and on Europe and the developing world. ASEAN should work to build up a forum for economic consultation between nations in and around the Pacific basin.

ASEAN should also develop its political cooperation, which has so far been ad hoc, on a more organized basis. This will be necessary if the group is serious about creating a zone of peace, freedom and neutrality in Southeast Asia that would include a nuclear weapons-free zone.

It is to be hoped that the association's leaders will be farsighted enough to take the steps to strengthen the association. ASEAN is at a crossroads, and it must decide soon in which direction it wants to go.

The writer is executive director of the Center for Strategic and International Studies in Jakarta. He contributed this comment to the International Herald Tribune.

IN OUR PAGES, 75 AND 50 YEARS AGO

1911: Bursts of Cheers

LONDON — The first formal appearance of the King and Queen since the coronation came [on June 23]. They rode in a splendid State coach, open to the sky and drawn by eight cream-colored horses. The King wore his field-marshal's uniform. The Queen was attired in a beautiful white dress and wore the Order of the Garter. When the carriage swept into view through the gates of Buckingham Palace there was a mighty burst of cheers and a whirlwind of handclapping. Up went the King's right hand to his hat, the forefinger about midway of the eyebrow, and the cheers broke out afresh. The Queen bowed. Most of the church bells of London boomed and clanged during the passage through the city, but the King did not hear them. No bells could be heard above the burst of human voices that greeted him.

1936: Democrats G[illegible]

PHILADELPHIA — Senator [illegible] W. Barkley of Kentucky [illegible] Democratic National [illegible] into wild enthusiasm [illegible] his keynote address [illegible] New Deal as having [illegible] lishing" economic recovery [illegible] three years. The highlight [illegible] was the speech of Postmaster [illegible] James A. Farley, chairman [illegible] National Democratic Committee [illegible] who accepted the Republican [illegible] lenge to base the Presidential [illegible] paign on the record of the New [illegible] He called the election vital [illegible] future of the United States [illegible] leged that financial interests [illegible] tating for a return to the old [illegible] of "everything for them and [illegible] for the plain people." The convention [illegible] will automatically renominate [illegible] dent Franklin D. Roosevelt and [illegible] President John N. Garner.

OPINION

The Real Question Now Is Whether Reagan Is Serious

By Charles Krauthammer

WASHINGTON — Why did President Reagan overthrow SALT-2? ree possible reasons.

Strategic: So as to save, at the end of is year, a few obsolete Poseidon subrines that would otherwise have to be up to keep the United States within SALT limits. This theory is implaue. The payoff is too small.

Psychological: To puncture the mysue of arms control. Here the payoff is Hence we have a plausible motive. d a suspect: the powerful faction hin the administration led by Rich-

Much to argue about, but the outlines of a grand compromise are in sight.

d Perle. It believes that arms control is aper umbrella under which those who not face the exigencies of the nuclear e huddle for false comfort.

The point of renouncing SALT-2 is s to break the arms control spell. To As of this week and for the first e in 14 years, we are living without ms control. Are you less safe today n you were four weeks or four years ? The point is to refute the convenal wisdom that arms control is indisensable to safety and national security. It is a profound objective, and a bad e. There is something to the argument t overselling arms control as an Eastnt panacea can lead to moral and ellectual demobilization in the West. t that is an argument against oversell- not against arms control.

It is true that arms control can only ulate, not abolish, the nuclear balce of terror. But its opponents are ply wrong to believe that we will be er without it. The ultimate safety in nuclear age lies in the stability of errence. While SALT treaties have reduced the level of arms, they proe predictability and limits, no small redients for managing deterrence.

Democracies cannot win arms races. ven the choice, electorates choose ter over guns. The reason America is behind in land-based missiles, conntional forces, tanks and almost every egory of weapon is not any treaty but constraint of the democratic process. mocracies are inherently incapable of taining a war footing in peacetime. ms control is a way to harness that apacity and make it bilateral.

Tactical: The president is trying to tray the SALT-2 decision as a chalge to the Soviets not to arm but to ey. He is showing the Soviets that unlike his predecessors, is politically ng enough and ideologically cmted enough to walk away from arms ntrol if necessary. Presumably such a monstration will move the Soviets to be forthcoming at the bargaining table.

If so, this is the latest addition to a tall stack of bargaining chips that Mr. Reagan is hoarding. He had the MX and his Strategic Defense Initiative. Now he has overthrown SALT-2. If his tactic was to concentrate Soviet minds on the wisdom of the kind of deep offensive cuts he says he wants, Mikhail Gorbachev has news for him. The tactic worked.

The Soviets have come back with a very interesting proposal. In outline, it is a grand compromise. The United States gets what it wants: deep (one-third) cuts in offensive weapons on both sides. The Soviet Union gets what it wants: severe restrictions on defensive weapons.

The Soviets' offer is a significant move toward the American position. They have given up their usual demand (always dropped when they start to get serious) that the United States count among its strategic weapons the bombers based on aircraft carriers and foreign air bases (like the F-111s used in the Libyan raid). They have also withdrawn their demand that long-range sea-launched cruise missiles be banned.

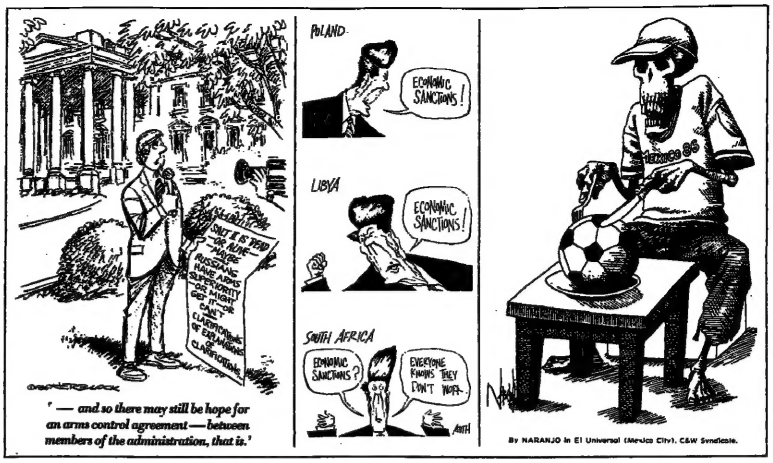
Most important is the SDI. Rather than try to abolish it outright, they propose a compromise advanced by The Economist in London 15 months ago. Both sides would pledge not to withdraw from the ABM treaty — which bans testing and deployment of defensive weapons — for 15 years. The treaty permits withdrawal with six months' notice. The Economist suggested a more reasonable three-to-five-year period.

Are the Soviets serious? It is impossible to tell for sure because their offer contains a few fishhooks which they know the United States cannot swallow. For example, in their Euromissile proposal they include the obviously unacceptable demand that the French and British freeze their nuclear systems, a move that would guarantee rapid obsolescence. By including fishhooks, and deciding later whether to withdraw them, the Soviets are able to postpone the decision as to whether they really want a deal or just a good press.

But the issue today is not Soviet seriousness. We will find out later (the fishhook test). The issue now is Mr. Reagan's seriousness. The next few months are his moment of truth on arms control. In the last five years he has collected bargaining chips. It is time to use them.

There is much to argue about in the Soviet proposal, but the outlines of a grand compromise are in sight. The question is: Does Mr. Reagan want one? If yes, then we can say that abolishing SALT-2 was a spur to achieve something better. If no, then we can say that abolishing SALT-2 was an American declaration that the age of arms control is over. It is an age on which we would look back with some nostalgia.

Washington Post Writers Group.



'— and so there may still be hope for an arms control agreement — between members of the administration, that is.'

By NARANJO in El Universal (Mexico City). C&W Syndicate.

LETTERS TO THE EDITOR

Taking the Responsibility for Following Bad Orders

Lawyer Gaetano Puglia has said in Genoa that the cold-blooded killing of a crippled civilian because he was a Jew and was helpless was just soldiers "obeying their orders." By doing so he justifies the war criminals who were hanged at Nuremberg in 1946, and he insults true soldiers. I would find it very satisfactory if an Italian soldier firmly persuaded Mr. Puglia to shut his mouth.

GEORGES VIALA.
Paris.

I read with interest that Javier Pérez de Cuéllar, the United Nations secretary-general, might act as a mediator between New Zealand and France in the Greenpeace affair. It is surprising, meanwhile, to read that France contends that the terrorist agents were obeying orders and therefore should not be punished as common criminals.

Is an order-to-be-obeyed now defense in crimes against humanity? What about such as Klaus Barbie, who is being tried by France as a war criminal? Did he "just follow orders" to slaughter prisoners? Is state terrorism justified?

W.O. JAMES.
Vienna.

On Dec. 8, 1965, the New York Herald Tribune published a one-paragraph letter from me, as follows:

"A problem in semantics: A native who throws a bomb at a foreign troop barracks is a "terrorist," but a foreign soldier who bombs a village or strafes a bus or burns a thatched hut is not."

As the French say, *plus ça change* . . .

HOWARD N. MEYER.
New York.

Austria and Anti-Semitism

The Austrian people have been the target of many critical comments because of the margin by which Kurt Waldheim was elected president. As a member of the Jewish community and a Socialist for almost half a century, I want to make a few observations.

Not all the votes that went to Mr. Waldheim can be interpreted as evidence of a strong anti-Semitic current in Austria. The Volkspartei (or Conservative Party) receives as a rule 43 to 44 percent of the total vote. There can be little doubt that on this occasion it was able to attract a sizable number of new voters who expressed dissatisfaction with the record of the Sinowatz government. (Dr. Sinowatz very wisely stepped down immediately after the election.)

There remains a hard core of virulent anti-Semites in Austria who contributed 4 to 5 percent to the total vote received by Mr. Waldheim. Regrettable as this may be, it is a phenomenon hardly confined to Austria or West Germany. Moreover, American critics of the Austrian scene ought to remember that Bruno Kreisky, whose Jewish antecedents are a matter of public knowledge, was repeatedly elected prime minister by a majority of close to 51 percent.

Let me end by stressing the fact that neither Mr. Kreisky nor his conservative predecessors can boast of a record of combating the relics of the Nazi past consistently and in disregard of the political consequences. Mr. Waldheim's election must also be seen in this — rather somber — light.

EDUARD MAERZ.
Salzburg.

A Vote for Pinochet's Chile

In her opinion column "Pinochet is Running Out of Time in a Restive Chile" (*May 31*), Vicki Carpenter presented a very narrow view of the Chilean situation. Having lived in Chile from March 1984 to March 1986, I must take exception to her implication that the majority of Chileans are anti-Pinochet. The Chileans I met were proud of the incredible progress and improvement in the standard of living that has occurred since the overthrow of the government of Salvador Allende, when people stood in bread lines and lived in fear.

The supposedly strong anti-Pinochet movement is in reality a very vocal but small group of people who, for the most part, have been influenced by outside sources and have no interest in a peaceful transition to democracy.

I left many friends in Chile, none of whom want to see the violent overthrow of the current government but all of whom want a peaceful transition to democracy, even if it takes a few years.

MARSHALL R. ADAMS.
Monrovia, Liberia.

Fiddling With Health

Thank you for Roger Collis' review of "The Frequent Traveler" by Dr. Richard Dawood (*June 13*). The book should be prescribed reading for everyone in this age of overworked doctors and failing health schemes.

I am advised that health ministers of developing countries, notably in Africa, are ordered to report clean bills of health to the World Health Organization if they value their own health. The dictators order these deceits to prevent a drop in tourism should the truth get out.

DAVID McKAY.
Sydney.

Letters intended for publication should be addressed "Letters to the Editor" and must contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

A Fellowship For the Lawn

By Gara Lamarche

AUSTIN, Texas — A few weeks ago, the John Simon Guggenheim Memorial Foundation announced the winners of this year's fellowships for artists, scholars and scientists. I took part in this ritual by checking the small print listing in the Sunday paper the way many people check the obituaries — first, to see if my name was there, and next, to see if any of my friends' names were there.

I missed out again, most likely because I didn't apply, but 272 others,

MEANWHILE

including a few people I know, shared in the nearly $6 million bounty. Among the projects they will pursue are a study of epic poetry and the political ideology of imperialism, theoretical studies in condensed matter physics and the evolving treatment of black characters and themes in the Brazilian cinema.

Now I don't want this to sound like sour grapes, but I had to wonder just how much these recipients need a Guggenheim to stimulate their creativity. They already sound like a bunch of overachievers to me. Chances are most of them spend 18 hours a day in front of a canvas, or hunched over microscopes, and their dinner party talk is filled with monologues on the "Iliad" or the organization of lexical memory. I know no one needs to give me a grant to work for civil liberties, which is what I do anyway. What I could use is a grant to give me time to mow the lawn.

Therein lies the germ of an idea whose time, I think, has come. There are plenty of foundations that send scholars to library stacks, and painters to rustic retreats, making sure that brilliant, creative people further alienate their spouses. But what grant-getters really need is incentive for leisure.

The new grants would have to be the kind you can't nominate yourself for. Workaholics tend to be unaware of life's little pleasures until it's too late. Nominations would come from spouses, kids, friends and co-workers.

I can already imagine the names of the first year's batch:

To Theodora Plavotsky, associate professor of physics at Yale, a 10-day raft trip in Big Ben National Park.

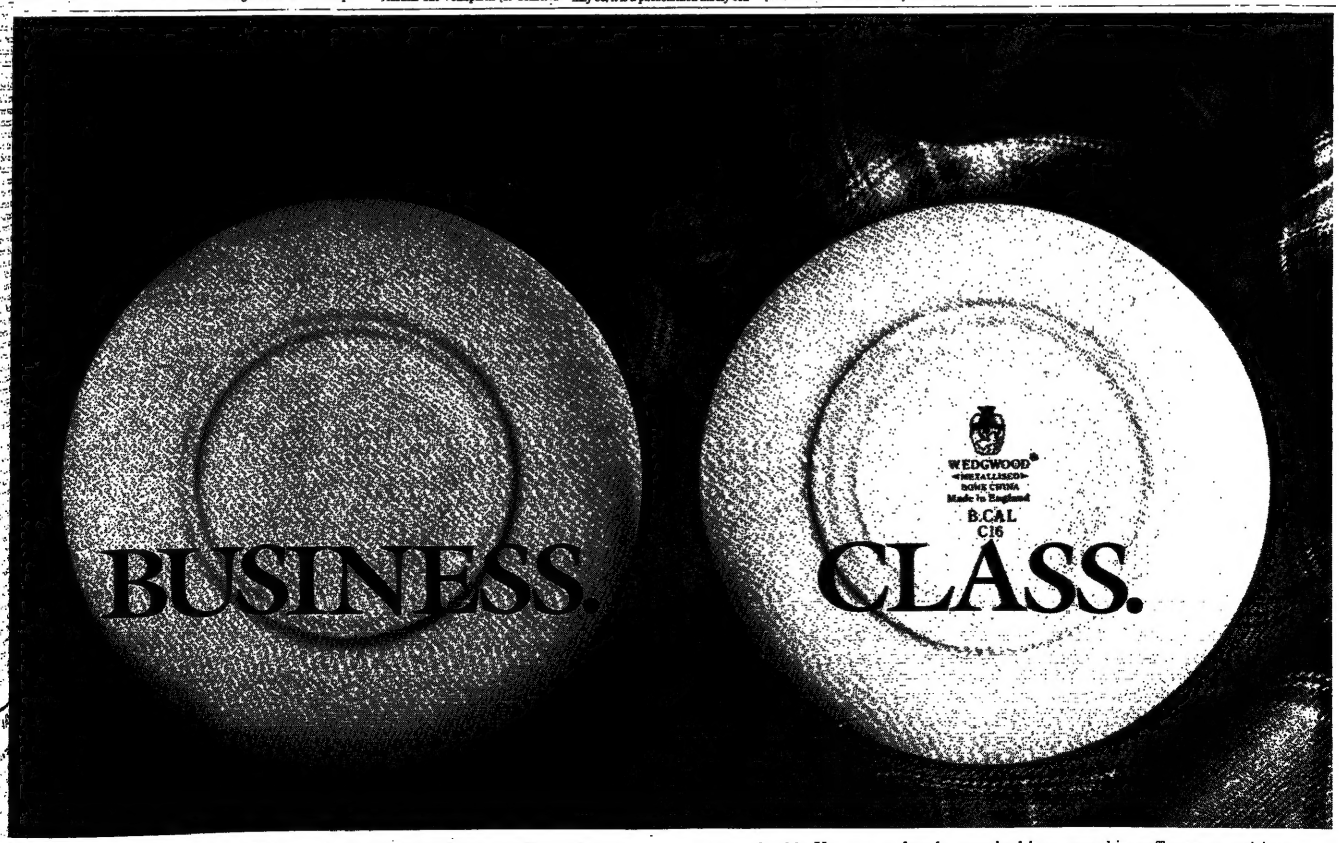
To Isidore Ng, painter, for 12 home games of the New York Mets.

To Walter Deveraux, professor of classics, Long Island University, for two weeks on Cape Cod with the collected works of Elmore Leonard.

To Rodney Miller, professor of Eurasian studies, Columbia University, for planting a tomato garden.

And yes, of course, one from my wife to give me time to mow the lawn.

The writer is executive director of the Texas Civil Liberties Union. He contributed this to The New York Times.



Ladies and Gentlemen. Welcome aboard this British Caledonian flight to London Gatwick from Amsterdam. (Or from Brussels, Frankfurt, Geneva, Genoa and Paris.)

You will note, that instead of ordinary china, we shall be serving you a meal on Wedgwood fine bone china.

You will also note other differences in your Executive Class flight with us. Being an independent airline, as opposed to government owned, means that we can never afford to relax. You will therefore appreciate that we will do our utmost to make your flight more enjoyable. You may, at first, be surprised how our cabin staff seem to anticipate your every demand. And take great pleasure in doing so.

But we are confident that you will enjoy the sensation of being treated as an important individual rather than a seat-number.

Finally, on landing, we would like to remind Executive Class passengers to remove all their personal articles. But please leave our Wedgwood behind.

British Caledonian Airways
We never forget you have a choice.

SPORTS

Giants Sweep Astros, Take Over 1st Place

Compiled by Our Staff From Dispatches

SAN FRANCISCO — The San Francisco Giants knew that a 12-game stretch beginning June 12th might determine their fate in the National League West.

Eight of those games were with the division-leading Houston Astros, who succumbed to the Giants, by 4-2 and 3-2 here Sunday, to drop 1½ games behind first-place San Francisco.

A crowd of 47,030, largest of the season at Candlestick Park, watched the Giants complete a four-game sweep. They won six out of the eight games with the Astros, taking an 8-5 edge in the season series. Last year Houston won 15 of the teams' 18 meetings.

"We all knew these eight games could make or break us," catcher Bob Brenly said. "We won six, so we're really proud. I think we proved that we're the equal of the Astros."

The Giants were a happy club following a weekend sweep that featured timely hitting and strong pitching. Houston was outscored, 12-6, in the four games and newfound relief ace Juan Berenguer won the final game and saved two others.

"It was like a World Series," said San Francisco Manager Roger Craig of the showdown. "The big crowd and all the excitement got our guys pumped up. They feel they can beat anybody now. They're playing well and they deserve to be in first place."

Right-hander Mike Krukow went the distance in Sunday's opener and third baseman Chris Brown drove in two runs with a double and a single to continue his solid church hitting. Rookie second baseman Robby Thompson had three of San Francisco's 11 hits, including a decisive two-run single in the fifth off Manny Hernandez.

Left-hander Mark Davis, making his first start after 30 relief appearances, yielded only two hits and no runs in six innings of the second game. Houston moved into a 2-2 tie on Billy Hatcher's two-run single in the eighth off Berenguer, but the Giants won it in the bottom of the inning off relief ace Dave Smith.

Thompson led off with a walk and went to second on Candy Maldonado's one-out bloop single to right. Brown walked, loading the bases. Rookie first baseman Mike Aldrete, who drove in the first run with a double, then hit a run-scoring, fielder's-choice grounder to the right side.

Aldrete enabled rookie Chuck Hensley to register his first major-league save by leaping high for Craig Reynolds's line drive with two on and two out in the ninth.

Said Houston Manager Hal Lanier: "They played great and they pitched good, so they deserved to win. But it's not the end of the world or the end of the season. We'll see who's in first place in October."

Padres 5, Dodgers 4: In Los Angeles, Tim Flannery hit a tie-breaking home run with two out in the ninth as San Diego completed a three-game sweep of one-run victories against the Dodgers. Flannery's was the ninth homer reliever Tom Niedenfuer has allowed in 43 innings this season. Craig Shipley, 23, started at shortstop for Los Angeles and became the first Australian to play in the majors.

Reds 5, Braves 2: In Cincinnati, Eric Davis scored the the game's first run on an error and added a two-run homer to lead the Reds. Loser Craig McMurtry was victimized by second baseman Ken Oberkfell's error for an unearned run in the sixth; Davis's home run in the seventh followed a bunt single by Pete Rose.

Mets 4, Cubs 2: In New York, Len Dykstra's two-run homer in the third opened the scoring and George Foster added his 11th home run of the year an inning later to support Ron Darling's five-hit pitching. Darling (8-2) became the fourth New York starter to record eight victories this season.

Expos 2, Pirates 1: In Montreal, Vance Law's pinch-hit single in the seventh drove in Herm Winningham with the deciding run.

Cardinals 7, Phillies 4: In Philadelphia, Terry Pendleton's three-run double capped a five-run sixth that sparked St. Louis past the Phillies.

Indians 4, Twins 1: In the American League, in Minneapolis, Phil Niekro retired 24 batters in a row during one stretch in pitching his ninth career two-hitter. He walked none and struck out four to earn his 304th career victory, putting him one behind Eddie Plank for 15th place on the all-time list. It was Niekro's first triumph since May 19.

Blue Jays 15, Yankees 1: In Toronto, Tony Fernandez and Ernie Whitt both hit two-run homers and two-run doubles to highlight a 16-hit attack that demolished New York. The game was tied, 1-1, after four innings, but Willie Upshaw's two-run single sparked a four-run fifth, and the rout was on.

Rangers 5, A's 4: In Arlington, Texas, Gary Ward drove in four runs with three hits, including a two-run triple that broke a seventh-inning tie and gave Texas its triumph over Oakland. The A's have lost a club-record 14 straight road games. Dale Mohorcic registered his first major league victory.

Royals 7, Angels 4: In Kansas City, Missouri, Steve Balboni hit a three-run homer and Scott Bankhead gave up just two hits after the first inning to help the Royals halt a four-game skid and end California's winning streak at five.

White Sox 10, Mariners 4: In Chicago, Ozzie Guillen and Bobby Bonilla each drove in two runs to give Jim Fregosi a victory in his debut as manager of the White Sox. Guillen singled home two runs in a four-run second and also doubled and scored on a double by John Cangelosi in the sixth. Bonilla doubled two runs across in the fifth.

Brewers 5, Tigers 4: In Milwaukee, Mike Felder's bases-loaded line single to right with two out in the ninth drove in Rick Manning as the Brewers nuped Detroit. Milwaukee tied the score in the eighth, when Cecil Cooper greeted reliever Dave LaPoint with a two-out, two-run single. Dave Bergman's two-run homer in the top of the eighth had given the Tigers 4-2 lead.

Orioles 4, Red Sox 0: In Boston, John Shelby drove in three runs and scored another to back a combined three-hitter by Storm Davis and Don Aase. Davis struck out five and walked none, retiring 14 in a row in one stretch. Aase pitched 1⅓ innings of hitless relief for his major-league leading 19th save of the year. Shelby singled off Jeff Sellers and scored in the third, had an RBI single in the fifth and added a two-run single in the ninth off Steve Crawford. *(AP, UPI)*

Orlando Wagner/The Associated Press

Home plate umpire Ken Kaiser gave Dick Schofield a helping hand on Sunday when the California shortstop was momentarily dazed after being hit by a second-inning pitch from Kansas City's Scott Bankhead. Schofield finished the game.

Becker Breezes in Opener; Curren Upset

The Associated Press

WIMBLEDON, England — Boris Becker began the defense of his singles championship in powerful fashion Monday, defeating Eduardo Bengoechea of Argentina, 6-4, 6-2, 6-1, on the center court at rainy Wimbledon.

But the man Becker beat in last year's final, American Kevin Curren, was upset in his opener. The 11th seed lost to unseeded Eric Jelen, a West German soldier, 6-4, 6-7, 2-6, 6-4, 12-10.

That was one of the last matches finished before rain, a perennial plague at the All-England Lawn Tennis and Croquet Club, interrupted the action.

When things resumed on center court, No. 2 seed Mats Wilander of Sweden beat American Scott Davis, 7-6, 6-4, 6-4, but officials suspended play for the day on all other courts because of wet grounds and failing light.

Of the 64 scheduled opening-day matches, only 19 were completed; 17 were suspended (including top-seeded Ivan Lendl against Leonardo Lavalle) and 28 never got started.

The Curren-Jelen encounter, played on an outer court, continued through light rain. Curren had four match points but could never close it out: Jelen won on his first match point.

"I lost my momentum on serve. I had trouble with my serve all day," Curren said. "There's life after tennis, but it's very disappointing with the tournament so wide open this year."

"I can't believe I won," said Jelen, who was playing only third match on grass, "It's a great win for me."

Looking nervous in the early going, Bengoechea sank quickly against the No. 4 seed, West German Becker, at 17 the youngest-ever Wimbledon champion a year ago, broke Bengoechea in the opening game and served out the first set.

Becker used a big serve and razorlike volleys to continue his domination in the second set. His three aces in the eighth game were the key.

"It was one of the best feelings I've ever had when I stepped onto center court," Becker said. "We had to wait in this little room before [illegible] onto the court, just like before the cha[illegible] ship last year. I knew exactly what to do [illegible] opponent didn't, and he kept asking me [illegible] him when to wait and when to go throu[illegible] door. Then I told him, 'Lose the serve [illegible] first game.'"

Of his chances of retaining his title, [illegible] replied: "I only have to win six more ma[illegible] Lots of other players here want to do the [illegible] thing."

But his chances of repeating are not c[illegible] ered good. For the first time since Björn B[illegible] 1977, the defending men's champion is n[illegible] top seed. Becker is not listed as the favo[illegible] any of London's legal bookmakers. Depe[illegible] on where you place your wager, that hono[illegible] to Lendl, or the 34-year-old Conno[illegible] Frenchman Henri Leconte or second-[illegible] Mats Wilander.

In 1985, Becker was an unseeded dark[illegible] "It's different for him now," said Am[illegible] Tim Mayotte, the No. 10 seed. "Last ye[illegible] had no worries."

WIMBLEDON TENNIS

For a Change, Hagler Is Calling the Shot

By Shirley Povich
Washington Post Service

WASHINGTON — Will he or won't he? Will Marvelous Marvin Hagler choose to fight Sugar Ray Leonard, or will he opt for a rematch with Thomas Hearns? Hagler has been making it the most celebrated question since Hamlet's classic dilemma of some 400 years ago.

But he has selected Tuesday, in Las Vegas, as the day and place he will end the suspense. There have been no leaks.

That Hagler has been enjoying the guessing game is certain. It is his turn to tease and tantalize. No more waiting on the pleasure of Leonard, boxing's one-time Mr. Box Office, who used to call the shots. Now it's the turn of Hagler, undefeated in nine years and the only undisputed world title-holder in the game, who is top dog.

It is understandable that Hagler is savoring the switch in authority. For years he groused at the rich paydays of Leonard, the welterweight champion, while he, the dominant middleweight, was fighting for funny money at special envoy of Hagler made the $27 million Leonard pulled down for only three fights, against Roberto Duran (twice) and Hearns.

Early in 1982, when Hagler wanted a shot at Leonard and the big money, Leonard's camp rebelled at his demand for equal pay. "Nobody should get as much as Leonard," said Mike Trainer, Leonard's attorney. "And Hagler's people should know that."

On May 1, Leonard grandly declared his unretirement, with the specific aim of getting into the ring with Hagler. He has been left to cool his heels ever since. Leonard has been throwing a fit at the delay.

Paul Richards/Reuters/UPI

Hagler: Long memory.

"This doesn't make any sense," he said. Hagler has been unsympathetic, perhaps because he has much to remember.

One day for Hagler to remember was Nov. 9, 1982, when he was invited to Baltimore along with a host of other notables, for "A Night With Sugar Ray," a charity affair at which it was anticipated that Leonard would announce his decision to fight Hagler.

Hagler was seated at ringside when Leonard, looking down at him from inside the ropes, microphone in hand, declared: "A fight with this great man, this great champion, would be one of the greatest fights in history. Talk about money. Talk about Fort Knox. . . ." What Hagler next heard from a smiling Leonard was: "But unfortunately, it won't happen." Leonard announced he was retiring.

Hagler had come all the way from Brockton, Massachusetts, only to be told there would be no fight with Leonard, no big payday, no nothing. Hagler had been zapped.

So on Tuesday, Hagler will be making his own choice, with Leonard being left to wonder what it will be. The place he has chosen for the announcement is Caesars Palace, with Hagler's news conference upstaging Monday night's trumpeted boxing tripleheader — promoted Bob Arum has to show World Boxing Council super welterweight champion Hearns against Mark Medal, World Boxing Association featherweight champion [illegible] McGuigan against Stevie Cr[illegible] Roberto Duran vs. Robbie S[illegible] a middleweight bout.

The surprise will be if H[illegible] who has his own zest for [illegible] prize, prefers Hearns over [illegible] ard. A warmed over Hagler-H[illegible] has none of the marquee va[illegible] Hagler-Leonard. Hearns last [illegible] quite three rounds with Ha[illegible] year.

Leonard has ventured [illegible] Hagler-Leonard fight wo[illegible] each of them $15 million, [illegible] pay was only $2.5 million [illegible] fought Hearns in 1985.

Leonard has said about [illegible] sibility that Hagler would [illegible] Hearns as his opponent: "[illegible] no sense from a business [illegible] point or a history sta[illegible] Hagler has been getting [illegible] vice."

That Hagler will, eventu[illegible] the nod to Leonard is the [illegible] tion. Hagler-Leonard offe[illegible] curiosity necessary for bo[illegible] office.

Can Hagler reach a fight[illegible] moves like Leonard, a m[illegible] also can snap off a punch [illegible] the sometimes-easy-to-hit [illegible] How much did nearly four [illegible] retirement deplete Leo[illegible] skills? Will Leonard's di[illegible] tached retina be a target, con[illegible] ing that in boxing, every [illegible] above the belt is fair territory

It could be a war in the m[illegible] — unless the unthinkable o[illegible] and Hagler says it's Hearns.

SCOREBOARD

Baseball

Individual Major League Leaders

AMERICAN LEAGUE

	G	AB	R	H	Pct.
Boyer, Sea.	60	221	41	84	.380
Yount, Mil.	54	197	37	72	.366
Puckett, Min.	68	300	55	104	.347
Hrbek, Min.	64	250	51	86	.340
Baker, N.Y.	61	217	39	73	.336
Gaetti, Mil.	64	244	38	82	.336
Lynn, Bal.	48	146	28	54	.327
Mattingly, N.Y.	69	295	45	96	.325
Rice, Bos.	67	268	39	87	.325
Bell, Tor.	66	273	42	87	.319

Runs: R. Henderson, New York, 66; Puckett, Minnesota, 55; Boyer, California, 55; Kingman, Oakland, 55.
Hits: Puckett, Minnesota, 104; Mattingly, New York, 96; Bell, Toronto, 87; Fernandez, Toronto, 85; Hrbek, Minnesota, 85; Rice, Boston, 85.
Doubles: Mattingly, New York, 21; R. Henderson, New York, 20; Rice, Boston, 20; Boston, Boston, 19; Law, Kansas City, 18.
Triples: Owen, Seattle, 6; Butler, Cleveland, 5; Fernandez, Toronto, 5; Hulett, Chicago, 5; 8 are tied with 4.
Home Runs: Joyner, California, 19; Canseco, Oakland, 18; Barfield, Toronto, 17; Brunansky, Minnesota, 17; Hrbek, Minnesota, 17.
Stolen Bases: R. Henderson, New York, 46; Cangelosi, Chicago, 32; Wiggins, Baltimore, 32; Moseby, Toronto, 31; Reynolds, Seattle, 17; Wilson, Kansas City, 17.
PITCHING (8 decisions)
Wee-Last/Wieslay PCJ/ERA: Clemens, Boston, 13-3, 1.850; 2.18; Saddicker, Baltimore, 10-1, .909, 2.48; Hanson, Oakland, 7-1, .875, 2.79; Nieves, Milwaukee, 6-2, .750, 4.60; Rasmussen,

Major League Standings

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Boston	44	33	.667	—
New York	39	29	.655	4
Baltimore	37	39	.522	7
Milwaukee	35	41	.530	8½
Cleveland	34	42	.515	9½
Toronto	35	45	.500	10½
Detroit	32	44	.485	11½
West Division				
Texas	38	30	.559	—
California	34	33	.529	3
Kansas City	34	34	.500	4
Chicago	28	39	.418	9½
Minnesota	28	40	.412	10
Oakland	28	42	.400	11
Seattle	27	43	.386	12

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
New York	46	19	.708	—
Montreal	34	29	.554	10
Philadelphia	35	35	.522	14
St. Louis	29	37	.439	17½
Chicago	26	36	.434	18½
Pittsburgh	27	38	.415	19
West Division				
San Francisco	39	31	.551	—
Houston	34	35	.527	1½
San Diego	35	33	.515	2½
Atlanta	33	36	.485	4½
Los Angeles	33	36	.478	5
Cincinnati	29	37	.439	6½

Sunday's Major League Line Scores

AMERICAN LEAGUE

Cleveland	113 000 000—4 10 1	
Minnesota	000 100 000—1 4 0	
Niekro and Bando; Smithson, Jackson (3), Atherton (9) and Hasa, Salas (8). W—Niekro, 4-6. L—Smithson, 6-6. HR—Cleveland, Hall (16).		
California	200 000 110—4 6 2	
Kansas City	040 001 02x—7 10 0	
Witt, Forster (8), Corbett (8) and Narron; Bankhead, Black (9), Quisenberry (8) and Quirk. W—Bankhead, 3-8. L—Witt, 8-5. Sv—Quisenberry (8). HR—Kansas City, Narron (1). Kansas City, Balboni (14).		
Seattle	002 000 100—4 6 3	
Chicago	140 001 11x—10 16 3	
Morgan, Firovitd (3), Leidy (7) and Valle; Dotson, McKeon (7) and Fisk. W—Dotson, 5-7. L—Morgan, 5-7.		
Baltimore	001 010 003—5 11 1	
Boston	000 000 000—0 3 0	
Davis, Aase (8) and Hoiman; Sellers, Crawford (9), Sambito (9) and Gedman. W—Davis, 6-7. L—Sellers, 9-3. Sv—Aase (19).		
Detroit	010 010 030—4 7 0	
Milwaukee	000 100 121—5 8 0	
O'Neal, LaPoint (8), Pocoba (9), Hernandez (9) and Parrish. Leary (4) Wegman, Gibson (9) and Carona. W—Gibson, 1-4. L—LaPoint, 2-4. HR—Cooper (1), Bergman (11).		
New York	100 000 000—1 10 1	
Toronto	000 143 02x—15 16 0	
Niekro, Shirley (6), Whitson (7) and Wynegar; Key, Henke (9) and Whitt. W—Key, 6-5. L—Niekro, 7-6. HR—New York, Randolph (1). Toronto, Whitt (7), Fernandez (3).		
Oakland	010 110 010—4 8 0	
Texas	001 010 30x—5 9 1	
Honeycutt, Rijo (6), Beck (7) and Tettleton; Mahler, Mohorcic (6), Williams (8), Harris (8) and Petrick. Mohorcic (1). W—Mohorcic, 1-3. L—Rijo, 3-6. Sv—Harris (14). HR—Oakland, Davis (8). Tettleton (2).		

NATIONAL LEAGUE

St. Louis	010 000 160—7 10 1	
Philadelphia	000 100 120—4 8 1	
Matthews, Worrell (8) and LaVallere; Maddox, Leach (6), Harris (8), Tekulve (9) and Russell. W—Matthews, 6-1. L—Maddox, 0-2. Sv—Worrell (13). HR—Philadelphia, Schmidt (12), Samuel (3).		
Pittsburgh	100 000 000—1 10 1	
Montreal	010 000 10x—2 7 0	
Rauschel and Ortiz, Pena (7); Hesketh, Reardon (9) and Fitzgerald. W—Hesketh, 5-4. L—Rauschel, 4-7. Sv—Reardon (17). HR—Pittsburgh, Almon (7).		
Chicago	000 011 000—2 5 0	
New York	002 100 30x—6 7 1	
Sutcliffe, Fontenot (7), Frazier (7), Sutter (8) and Davis; Darling and Carter. W—Darling, 8-2. L—Sutcliffe, 4-4. HRs—Chicago, Cey (6). New York, Dykstra (3), Hernandez (1).		
Atlanta	000 000 030—3 4 3	
Cincinnati	000 001 32x—6 7 0	
McMurtry, Garber (8) and Benedict; Denny, Franco (8), Robinson (9) and Bailey. W—Denny, 5-4. L—McMurtry, 1-4. Sv—Robinson (5). HR—Cincinnati, Davis (7).		
First Game		
Houston	010 000 001—2 7 1	
San Francisco	001 010 10x—4 11 1	
Hernandez, Andersen (9), Lopes (7) and Ashby; Bailey (5), Krukow and Brenly. W—Krukow, 5-4. L—Hernandez, 1-3. HRs—San Francisco, Kutcher (2), Houston, Bass (9).		
Second Game		
Houston	100 000 020—3 7 1	
San Francisco	000 101 01x—3 7 0	
Scott, Smith (8) and Bailey; McDowell, Robinson (7), Berenguer (8), Hensley (9) and Melvin. W—Berenguer, 1-0. L—D.Smith, 1-4. Sv—Hensley (1).		
San Diego	000 020 011—4 11 2	
Los Angeles	012 000 00x—4 7 0	
Thurmond, Walter (5), Lefferts (6) and Kennedy; Welch, Niedenfuer (9), Valenzuela (9) and Trevino. W—Lefferts, 5-3. L—Niedenfuer, 5-3. HR—San Diego, Flannery (3).		

Tennis

Wimbledon Results

MEN

First Round

Jan Gunnarsson, Sweden, def. Hans Gildemeister, Chile, 6-3, 6-4, 6-4; Tomas Smid, Czechoslovakia, def. Darren Cahill, Australia, 6-4, 6-3, 7-6; Jay Lapidus, U.S., def. Kevin Meier, South Africa, 6-3, 6-4, 6-3; Paul Annacone, U.S., def. Stuart Bale, Britain, 6-3, 7-5, 6-3; Boris Becker (4), West Germany, def. Eduardo Bengoechea, Argentina, 6-4, 6-2, 6-1; Jeremy Bates, Britain, def. Brad Drake, Australia, 7-6 (7-5), 7-6 (10-8), 6-3.

Marcel Freeman, U.S., def. Nelson Aerts, Brazil, 6-4, 4-6, 4-6, 7-6 (7-4); Amos Mansdorf, Israel, def. Glenn Michibata, Canada, 3-6, 6-2, 6-3, 6-4; Peter Lundgren, Sweden, def. Bob Green,

U.S., 6-2, 6-0, 7-6 (7-3); Wehbi Fitoli, Poland, def. Vitay Amritraj, India, 6-1, 3-6, 4-6, 6-3.

Eric Jelen, West Germany, def. Kevin Curren (11), U.S., 6-4, 6-7 (4-7), 2-6, 6-4, 12-10; Tom Gullikson, U.S., def. Bud Schultz, U.S., 6-3, 4-6, 7-6 (7-3), 4-1; Nikolay Medin, Czechoslovakia, def. Michiel Schoners, the Netherlands, 6-2, 1-6 (unfinal); Mats Wilander (2), Sweden, def. Scott Davis, United States, 7-6 (7-5), 6-4, 6-4.

WOMEN

First Round

Terry Phelps, U.S., def. Amanda Grunfeld, Britain, 6-2, 6-0; Tine Scheuer-Larsen, Denmark, def. Lea Antonoplis, U.S., 6-3, 6-4; Andrea Betzner, West Germany, def. Julie Salmon, Britain, 6-4, 6-4 (9-8); Bernardine Bonivento, France, def. Janine Thomson, Australia, 6-4, 6-2; Ann Henricksson, U.S., def. Julie Richardson, New Zealand, 7-6 (9-6), 6-1.

Transition

BASEBALL

American League

TEXAS—Assigned Mike Mason, pitcher, to Oklahoma City of the American Association for medical rehabilitation.

National League

LOS ANGELES—Recalled Dave Anderson, shortstop, on the 21-day disabled list. Placed Greg Brock, first baseman, on the 21-day disabled list retroactive to June 19. Recalled Ed Amelung, outfielder, from Albuquerque of the Pacific Coast League. Purchased Craig Shipley, shortstop, from Albuquerque.

NEW YORK—Signed Richard Dorsett and Lee Johnson, pitchers. Assigned Dorsett to Little Falls of the New York-Penn League and Johnson to Kingsport of the Appalachian League.

FOOTBALL

Canadian Football League

TORONTO—Traded Greg Holmes, defensive back, and Nick Heisler, defensive end, to Saskatchewan for Craig Ellis, running back, and Willie Thomas, center.

National Football League

SAN DIEGO—Announced the retirement of Ed White, guard, and named Steve Fuller as assistant coach.

TAMPA BAY—Signed Rod Jones, defensive back, to a four-year contract. Waived Steve Courson and John Jancke, offensive linemen.

United States Football League

ARIZONA—Signed Jim Meyer, punter, to one-year contract.

HOCKEY

National Hockey League

QUEBEC—Signed Peter Stastny, center, and Anton Stastny, left wing, to long-term contracts.

WINNIPEG JETS—Named Don Maloney coach. Traded Scott Arniel, right wing, to Buffalo for Gilles Hamel, right wing.

OLYMPICS

U.S. AMATEUR HOCKEY ASSOCIATION—Named John Brooks U.S. Olympic hockey team coach.

COLLEGE

ARIZONA—Named John Mariucle football offensive line coach.

BLOOMFIELD—Named Frank Strum women's basketball coach.

CINCINNATI—Announced the resignation of Sandy Smith, women's basketball coach.

IOWA STATE—Named Dick Lee women's track coach.

MURRAY STATE—Named Mike Dill assistant athletic director.

NORTHERN ARIZONA—Announced that Joe Kwiatkoski, defensive backfield coach, has resigned.

OTTAWA (Kansas)—Named Steve Hill basketball coach.

Golf

The Masters and earnings in the Atlantic Classic, which ended Sunday on the 7,007-yard, par-72 Atlanta Country Club course:

1. Ayrton Senna, Brazil, Lotus-Renault, 63, 84.717 / 134.241.
2. Jacques Laffite, France, Ligier-Renault, 63.
3. Alain Prost, France, McLaren-TAG Porsche, 63.
4. Michele Alboreto, Italy, Ferrari, 63.
5. Nigel Mansell, England, Williams-Honda, 63.
6. Riccardo Patrese, Italy, Brabham-BMW, 62.
7. Johnny Dumfries, England, Lotus-Renault, 61.
8. Jonathan Palmer, England, Zakspeed, 61.
9. Philippe Streiff, France, Tyrrell, 61.
10. Derek Warwick, England, Brabham-BMW, 60.
11. Christian Danner, West Germany, Arrows-BMW, 61.
12. René Arnoux, France, Ligier-Renault, 60.
13. Thierry Boutsen, Belgium, Arrows-BMW, 60.
14. Andrea de Cesaris, Italy, Minardi, 60.
15. Nelson Piquet, Brazil, Williams-Honda, 61.

DRIVER STANDINGS

1. Ayrton Senna, Brazil, Lotus, 36.
2. Alain Prost, France, McLaren, 23.
3. Nigel Mansell, England, Williams, 29.
4. Nelson Piquet, Brazil, Williams, 19.
5. Keke Rosberg, Finland, McLaren, 14.
6. Jacques Laffite, France, Ligier, 13.
7. Stefan Johansson, Sweden, Ferrari, 7.
8. Gerhard Berger, Austria, Benetton; René Arnoux, France, Ligier, and Michele Alboreto, Italy, Ferrari, 6.
11. Martin Brundle, England, Tyrrell; Teo Fabi, Italy, Benetton, and Riccardo Patrese, Italy, Brabham, 2.

Auto Racing

DETROIT GRAND PRIX

Results of the Detroit Grand Prix, a Formula One race (driver's home country, type of car, laps completed and where): Average speed in miles per hour/kilometers per hour.

1. Ayrton Senna, Brazil, Lotus-Renault, 63, 84.717 / 134.241.
2. Jacques Laffite, France, Ligier-Renault, 63.
3. Alain Prost, France, McLaren-TAG Porsche, 63.
4. Michele Alboreto, Italy, Ferrari, 63.
5. Nigel Mansell, England, Williams-Honda, 63.
6. Riccardo Patrese, Italy, Brabham-BMW, 62.
7. Johnny Dumfries, England, Lotus-Renault, 61.
8. Jonathan Palmer, England, Zakspeed, 61.
9. Philippe Streiff, France, Tyrrell, 61.
10. Derek Warwick, England, Brabham-BMW, 60.
11. Christian Danner, West Germany, Arrows-BMW, 61.
12. René Arnoux, France, Ligier-Renault, 60.
13. Thierry Boutsen, Belgium, Arrows-BMW, 60.
14. Andrea de Cesaris, Italy, Minardi, 60.
15. Nelson Piquet, Brazil, Williams-Honda, 61.

DRIVER STANDINGS

1. Ayrton Senna, Brazil, Lotus, 36.
2. Alain Prost, France, McLaren, 23.
3. Nigel Mansell, England, Williams, 29.
4. Nelson Piquet, Brazil, Williams, 19.
5. Keke Rosberg, Finland, McLaren, 14.
6. Jacques Laffite, France, Ligier, 13.
7. Stefan Johansson, Sweden, Ferrari, 7.
8. Gerhard Berger, Austria, Benetton; René Arnoux, France, Ligier, and Michele Alboreto, Italy, Ferrari, 6.
11. Martin Brundle, England, Tyrrell; Teo Fabi, Italy, Benetton, and Riccardo Patrese, Italy, Brabham, 2.

World Cup Soccer

Results, Schedule

QUARTERFINALS
June 21
France 4, Brazil 3 (penalty kicks)
Germany 4, Mexico 1 (penalty kicks)
June 22
Argentina 2, England 1
Belgium 5, Spain 4 (penalty kicks)

SEMIFINALS
June 25
At Guadalajara: France vs. West Germany
At Mexico City: Belgium vs. Argentina

THIRD PLACE
June 28
At Puebla: Semifinal losers

CHAMPIONSHIP
June 29
At Mexico City: Semifinal winners

Scorers

Scorers in the 1986 World Cup finals through Sunday's matches:

SIX GOALS
England: Gary Lineker.

FIVE GOALS
Spain: Emilio Butragueno. Brazil: Careca.

FOUR GOALS
Denmark: Preben Elkjaer. Italy: Sandro Altobelli. Soviet Union: Igor Belanov.

THREE GOALS
Argentina: Jorge Valdano, Diego Maradona. Denmark: Jesper Olsen.

TWO GOALS
Belgium: Nico Claesen, Enzo Scifo, Jan Ceulemans. Brazil: Socrates, Josimar. France: Michel Platini, Yannick Stopyra. Mexico: Fernando Quirarte. Morocco: Aziz Bouderbak Khairi, Parwaiez. Julio Cesar Romero, Roberto Cabanas. Soviet Union: Ivan Yaremchuk. Spain: Ramon Caldera, Wesl. Germany: Klaus Allofs.

ONE GOAL
Algeria: Djamel Zidane. Argentina: Pedro Pablo Pasculat, Jorge Burruchaga, Oscar Ruggeri. Belgium: Stephane Demol, Erwin Vandenbergh, Daniel Veyt, Frank Vercauteren, Graeli Edinho. Bulgaria: Nasko Sirakov, Plamen Getov, Dimitar Dimitrov, Sotir Letchkov, Michael Louduvski, Julio Erikson. England: Peter Beardsley. France: Luis Fernandez, Jean-Pierre Paulo, Jean Tigana, Dominique Rocheteau. Hungary: Marton Esterhazy, Laszlo Detari, Imre; Ahmed Radi Mandous. Kuit Servis, Manuel Noorman. Kozo Mandous. Luis Flores. Morocco: Abdelkarim Merry, Merbah Ibrahim. Northern Ireland: Colin Clarke. Poland: Wladzimierz Smolarek. Portugal: Carlos Manuel, Diamantino. Scotland: Gordon Strachan. South Korea: Choi Soon-Ho, Huh Yong-moo, Kim Jong-boo. Park Chang-sun. Soviet Union: Pavel Yakovenko, Sergei Alenichev, Sergei Rodionov, Oleg Blokhin, Alexander Zavarov, Vassily Rats. Spain: Andoni Goicoechea, Julio Salinas, Eloy Olaya, Victor Munoz. West Germany: Lothar Matthaeus, Rudi Voeller. Uruguay: Antonio Alzamendi, Enzo Francescoli.

Red Cards

(Through Sunday)

Thomas Berthold, West Germany, 1 (suspended vs. France); Ray Wilkins, England, 1 (served suspension vs. Poland and Paraguay); Javier Aguirre, Mexico, 1 (suspended from next "A" international); Mike Sweetzer, Canada, 1 (served suspension vs. Soviet Union); Frank Arnesen, Denmark, 1 (served suspension vs. Spain); Miguel Bossio, Uruguay, 1 (served suspension vs. Scotland); Jose Batista, Uruguay, 1 (served suspension vs. Argentina); Basil Hamo, Iraq, 1 (served suspension vs. Mexico; suspended from next "A" international).

TV: Tuesday, June 24

British: World Cup Report, 5:35 P.M. (BBC1).

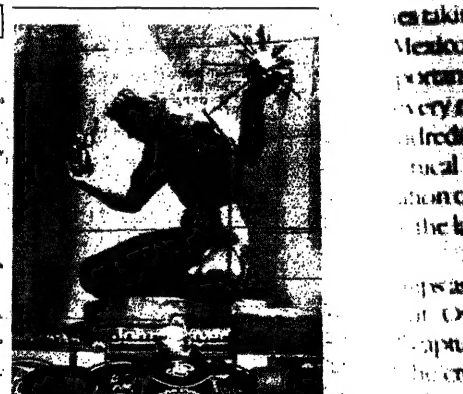
France: World Cup highlights, 12:30 P.M. Argentina vs. England, 2:40 P.M. (TF1). Cup highlights, 7:10 P.M. (Antenne 2).

Hong Kong—Highlights, June 23: World Cup highlights, 10:30 P.M. (Jade). Cup highlights, 5:55 P.M. (Pearl).

Italy: World Cup highlights, 6:20 P.M. (Ch. 2).

West Germany: World Cup special, 8:15 P.M. (ARD).

SPORTS BRIEFS



Ayrton Senna, passing the statue Spirit of [illegible] winning Sunday's race and taking over the driver-st[illegible]

Senna Winner of Detroit Gran[illegible]

DETROIT (AP) — Brazilian Ayrton Senna overcame [illegible] on the 14th lap and went on to an easy victory in Sunday's [illegible] Prix Formula One race, taking over the lead in the world [illegible] driver standings.

Senna drove his Lotus-Renault to the fourth victory of [illegible] his second this season. He got a big boost when both Nelson [illegible] Brazil and René Arnoux of France crashed while pursuing [illegible] Jacques Laffite of France. In a Ligier-Renault, wo[illegible] 31.017 seconds behind Senna. Frenchman Alain Prost, [illegible] champion, drove his McLaren-TAG Porsche to a third-[illegible] Michele Alboreto of Italy, the 1983 Detroit winner, [illegible] Ferrari.

Englishman Nigel Mansell, failing in his bid to become [illegible] to win three consecutive Formula One races since Alan Jone[illegible] in 1979, was a lap back in fifth in his Williams-Honda.

Nelson Keeps WBC Title on Knoc[illegible]

SAN JUAN, Puerto Rico (AP) — Azumah Nelson of Ghana [illegible] out Danilo Cabrera of the Dominican Republic with 29 [illegible] the 10th round here Sunday to defend his World Boxing [illegible] successfully for the fourth time.

A hard right by the 28-year-old champion sent Cabrera [illegible] face down, to end the fight. Nelson had staggered Cabrera [illegible] toward the end of the ninth round. Nelson won his 24th [illegible] loss (a ninth-round knockout in 1982 by Mexican Salvador [illegible] Cabrera, 23, saw his record drop to 24-3-1.

Tway Takes Atlanta Golf by 2 [illegible]

ATLANTA (AP) — Bob Tway birdied five of the final [illegible] became the PGA tour's first three-time winner in 1986 by [illegible] 8-under-par 64 to win the Atlanta Classic golf tournament [illegible]

With a 72-hole total of 269 on the hilly, 7,007-yard [illegible] Club course, Tway won by two shots over third-round leader [illegible] who closed 70/271. Tied for third at 272 were Greg Norman [illegible] round 64), Willie Wood (68), Mark O'Meara (69) and Scott Hoch [illegible]

BASEBALL! *See your team play every week!*

Wherever you live in the world, you can watch your favorite team just days after the action. Pontel, Baseball's overseas licensee, distributes up to 10 games each week on videocassette. Each game comes in a complete game plus a weekly highlights show over and all the big stories in both leagues. Order the Game of the Week, or give us your favorite team and you'll get the games of that team. If not available, you'll get the best game out of your team's division. Many big teams will be covered every week. Call for details!

ORDER BY PHONE just pick up the phone to order. Your first tape will be sent the same day. You'll get 2 months of baseball excitement. Rental tapes packed with complete games and super highlights, all for $ 1.99

VACATION SERVICE. We will gladly forward your tapes to your vacation spot, or stop shipments and extend your subscription. So call now!

International Code, then:
49-211-62 60 66
02 11-62 60 66

From Germany, dial

Federal Republic of Germany
Telex: 8 588 430

PonTel

ORDER BY PHONE OR TELEX AND CHARGE YOUR SUBSCRIPTION TO YOUR MAJOR CREDIT CARD, OR SEND THIS COUPON TODAY WITH YOUR CHECK OR CREDIT CARD AUTHORIZATION

- Yes, Send me 8 weeks of Baseball action: complete games plus super highlights - all for $ 1.99. Send me
- Game of the Week — AL only — NL only
- My favorite team _____
- Send me cassettes annual for 50 if each in Europe; 5 1 each for Mid East and Africa; 5 2 for Far East.
- I live outside of Europe I add $ 8 refundable deposit for each cassette.
- Please charge my: AMEX VISA DINERS ID BNY ACCESS MASTER

Card Nr _____ Exp. _____

Check enclosed

Video System

SPORTS

At Cup, Perverted Penalties and Maradona's Artistry, Trickery

International Herald Tribune

MEXICO CITY — Literally one player; a hundred has managed to finish off a quarterfinal at this World Cup, and even Diego Maradona has chosen to be cheat one moment, pure genius the next.

Maradona's first goal against England was a deliberate hand-ball unseen by the referee. His second was a masterpiece to rank with any in history, one that this English observer applauded until his hands hurt.

He single-handedly beat England,

ROB HUGHES

avenging not the Falklands/Malvinas war but the bitter 1966 World Cup defeat Argentina suffered when he was baffling five-year-olds in the back streets of Buenos Aires.

But the game has taken the worst beating in Mexico. Three of the four quarterfinals went to extra time and then to Russian-roulette penalty shoot-outs.

It is a grotesque perversion of what the sport should be. Brazil is out after sharing thrilling artistry with France. West Germany and Belgium are semifinalists not because they performed well but because others' nerves failed in the penalty lottery.

One's abiding vision of this tatty apology for deciding the most important moments of men's careers is Pelé watching the shoot-out in Guadalajara.

Pelé is the greatest soccer player on earth. He will remain so unless Maradona cuts out the play-acting, the petulance, the ugly reverse side of his great gifts.

And Pelé watched with both hands to his face, a fisherman's cap pulled over his forehead, the eyes sad and distressed. "Brazil didn't deserve this," he said. "We won't see a final to equal this match."

Beyond belief, players of the caliber of Zico, Socrates and Platini failed to score from the penalty spot, 12 yards (11 meters) from the goal. Lesser West Germans and Belgians knocked them in during similar shoot-outs, and so the semifinals include penalty kickers who have bored the pants off us during regular play.

West Germany has scored four goals in five games. It outlasted Mexico in a dreadful bullfight by athletic strength; it outlasted Morocco by scoring on a free kick moments from full time. Its is a cynical face of a great game.

Possibly there is one worse. FIFA looks as happy as a banker because FIFA's gang of sponsors (by far the most important of VIPs, the way the business is going) grab an extra half-hour to peddle their wares on worldwide television.

There are too many teams in the tournament. There is no time for men who fight an honorable tie to replay. And there is a new farce akin to auto racing pit stops, when athletes go through contortions to try to shake fatigue out of limbs run to cramp.

Not a pretty sight, and no true part of the game that FIFA's commerce-oriented leadership is abusing.

To brighter things. Brazil vs. France was exhilarating, although short at times of the heights these artistes can reach.

AP

Jean-Marie Pfaff
.... Can he stop Maradona?

Brazil set the pace, Brazil dominated the rhythm and Brazil seemed fated to lose.

Three times, Brazilians hit either goalpost or bar; three times the ball came out. Once, in the penalty farce, France struck a post — the ball came back out, hit goalkeeper Carlos and rebounded in.

Earlier Michel Platini, playing well below his best, equalized Brazil's superb goal. Yet the cross that provided his opportunity took a deflection by Edinho.

So, four years after their misery in losing a semifinal to West Germany on penalties, the French meet the same team in Guadalajara on Wednesday. This tournament needs a stylish French revenge.

It also needs Belgium to reclaim the spirit of adventure it showed against the Soviet Union, after dour stagnation against Spain. Spaniards kicking as they did in Puebla on Sunday are not easy to entertain against, but it is sad that the fine technique of Frank Vercauteren, Eric Gerets, Vincenzo Scifo and Jan Ceulemans is so often negatively organized.

A superlative goalkeeper Jean-Marie Pfaff may be, but Belgium cannot rely on him to keep out Maradona. England, too, had a world-class goalie, and Maradona found ways of outwitting him.

The first time, using the left hand, Maradona was too sharp for a Tunisian referee selected for neutrality but not experience. That incensed the normally equable goaltender, Peter Shilton.

The second was "a miracle goal," according to England's manager, Bobby Robson. "I didn't like it," he said. "But I did admire it."

For the few who missed it, Maradona ran against the entire English defense.

In 20 yards, with eight touches of the left foot and countless subtle shifts of body weight, the little Argentine wove through four bemused defenders.

The ninth deft touch put Shilton on his pants and, despite Terry Butcher's despairing lunge, Maradona finished his work.

Some claim that a dissection of videotape reveals the final touch to Butcher. I don't want to see it. Nothing on earth is going to detract from that movement.

Nothing in Aztec Stadium did. Sure, there was crass political talk of asking Argentina not to play England while the Malvinas are still in dispute.

Sure, a tiny bunch of hot-heads (in a crowd given as 114,580) traded punches at halftime — kids squaring off in the playground. Photographers turned their backs on Maradona and ignored the potential consequences of inciting riot; the fisticuffs went on for 10 minutes until plainclothesmen and finally armed police doused them.

Undaunted, a few cameramen taunted half a dozen idiotic English youths at the end. The lads put on their savage act, spitting and throwing plastic cups.

But Mexicans in the crowd serenaded them, praising *Inglaterra*. Their leader shook the English boys' hands and gestured as if to say, "Yesterday we lost and *today is* your turn, but we both know we have gone as far as our talent allowed."

Aggravation over with, the English chivalrously kissed the cheeks of Mexican girls. The rapport that started in Monterrey saved another day.

Many are the Mexican smiles that have helped us all through the frustrations of an overlong tournament in chaotic circumstances. France versus Argentina putting a smile on the final would rescue much more.

The Associated Press

VIEWS OF CONTESTED GOAL — Diego Maradona said it was his head and the "hand of God" that scored Argentina's first goal in the 2-1 victory over England. But the English said he handled the ball past goaltender Peter Shilton, behind Maradona, above, and on the right, below.

The Associated Press

Spain's goalie, Andoni Zubizarreta, agonizes after failing to stop one of the Belgian kicks in the penalty shoot-out.

Belgium Gains Its First Semifinals, Beating Spain in Penalty Shoot-Out

The Associated Press

PUEBLA, Mexico — Belgium relied on goalkeeper Jean-Marie Pfaff's sparkling play before subduing Spain in a penalty shoot-out to qualify for the semifinals of the World Cup soccer tournament.

It was the first time the Belgians had gone so far in a World Cup, and coach Guy Thys said the team had a real chance of beating Argentina on Wednesday in Mexico City to reach the title game.

"This is not enough for us," Thys said. "We have no complexes about taking on Argentina. We can beat them."

Belgium dominated Spain most of the game Sunday but was unable to break a 1-1 tie in 30 minutes of extra time.

Spain played with intensity after trailing from the 34th minute on a fine leaping header by the Belgian captain, Jan Ceulemans. But the Spaniards lacked imagination and were caught in the tight Belgian defense at midfield.

Belgium could have wrapped up the game in regular time if it had not been for a couple of close misses; then Spain scored the equalizer six minutes from the end. Substitute Juan Antonio Señor blasted a left-foot shot into the net off a free kick by Víctor Muñoz.

When the teams failed to break the tie in overtime, the match went to the penalty shoot-out.

Pfaff, the 32-year-old star of Bayern Munich, stopped Spain's second penalty, a ground shot to the right by striker Eloy Olaya, and gave his team the edge it needed. All five Belgian penalties were successful.

"I knew I needed to stop just one to win the game," the goalie said.

Pfaff and team captain Eric Gerets, also 32, were the pillars of the defense. Gerets, who plays in the Netherlands for Eindhoven, tamed the Spanish striker Emilio Butragueño, who had exploded for four goals in his team's 5-1 triumph over Denmark in the second round.

Ceulemans, 29, from Bruges, conducted play at midfield. In the 51st minute he beat the Spanish defense with an astute pass to Daniel Veyt, but the 29-year-old forward from Waregem let Spanish goalie Andoni Zubizarreta get his fingertips on the ball to knock it away.

Thys said Belgium was "the better team although we played under pressure in the second half."

The Spanish coach, Miguel Múñoz, disagreed.

"Spain deserved to win all the way," he said. "We had an incredible number of opportunities to score in regular time and extra time."

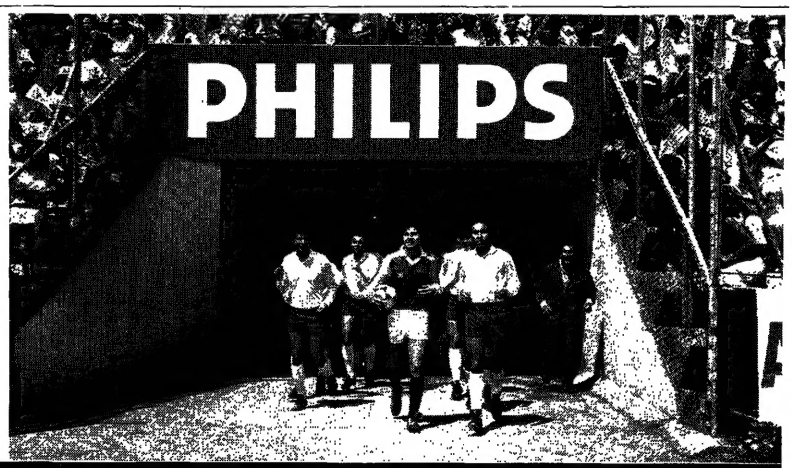
The Belgians, Múñoz said, "did nothing in the entire match except defend. A single counterattack was good enough for them; they scored a goal and that was all."

Múñoz also felt bitter about the shoot-out. "It is a great injustice that a match as important as a World Cup quarterfinal can be won or lost on penalties," he said. "It's no better than tossing a coin and the rule should be changed. At this stage of the competition, there should be a replay."

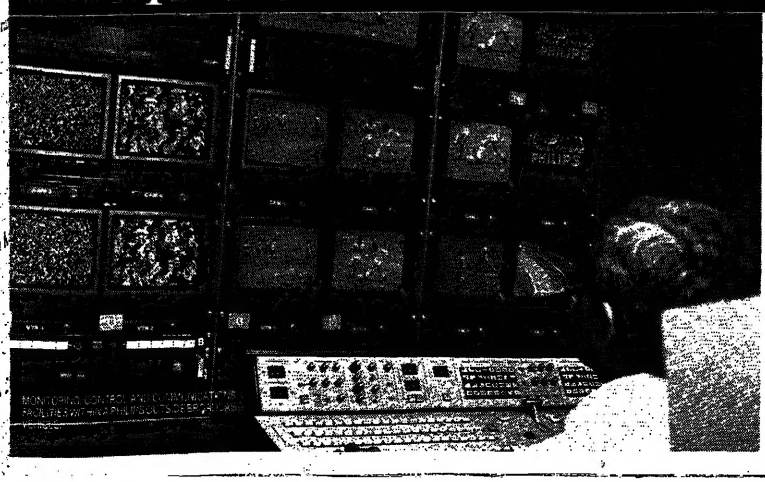
The Associated Press

With 52 matches taking place in 12 different adiums throughout Mexico, the 1986 World Cup is unoubtedly the most important television sports event of the ear. Every minute of every match will be televised to a obal audience of hundreds of millions of ardent sports ns, thanks to the technical and organizational talents of elemexico: a combination of the Instituto Mexicano de la levisión and Televisa, the largest TV network in Latin merica.

They chose Philips as the main supplier of TV roadcasting equipment. Over 200 of our computerized olour TV cameras will capture every action of the game... nd every reaction of the crowd. And our outside broadasting vehicles with video editing, mixing and monitorg equipment will be used for programme production nd distribution.



Philips, the team behind every scene in Mexico.



In fact, Philips is the team behind the video scene in the 1986 World Cup. And of course, we are also one of the world's leading suppliers of home video equipment such as colour television sets, video recorders, cameras and cassettes. So millions of viewers can be sure of perfect reception. From the opening kick-off to the final whistle.

You'll be seeing Philips again at major sports events the world over, including the 1988 Winter Olympics in Calgary, Canada, for which we have supplied the lighting, and the Summer Olympics in Korea, where our TV transmission systems are already in service.

Philips. The sure sign of expertise worldwide.

PHILIPS

ARTS / LEISURE

Jazzing Up the Mechanical Organ

By Michael Zwerin
International Herald Tribune

PARIS — In 1791 Mozart wrote three pieces for a small clockwork organ of a Viennese aristocrat. In 1813 Beethoven wrote the "Wellington's Victory" for a mechanical orchestra known as the Panharmonicon. In 1986 Martial Solal wrote a concerto for mechanical organ and jazz trio.

Solal's "Pièce de Rechange Pour Orgue Mécanique" will be given its premiere on July 19 as the closing performance of "Roulez les Mécaniques," a mechanical organ festival that began June 14 in Mâcon, France — with Solal on piano; Jean-François Jenny-Clarke, bass; Daniel Humair, drums, and Pierre Charial turning the wheel of his half-ton, 56-key, 244-pipe instrument that cost him 200,000 francs (about $28,000) to have built.

As far as he knows, Charial is the world's only jazz mechanical organ player. "There may be one tucked away in San Francisco somewhere but I never heard of him," he laughed in his workshop in the 11th *arrondissement*. His repertoire includes "Spain" by Chick Corea and some Ellington pieces, among others, and he demonstrated Toots Thielemans's "Bluesette."

The music is produced by high-quality cardboard cut into rectangles glued together into a strip stored in an accordion-fold. A composer or arranger writes a normal piano score. A craftsman, known in France as a *noteur*, cuts corresponding holes, measured in millimeters, in the cardboard. The higher the note the higher the hole on the cardboard. Low notes are on the bottom, long notes have long holes, a wide hole might be a widely focused note or a chord. The strip is run through a machine resembling an elaborate sewing machine.

The cardboard moves through the machine at a rate of six centimeters (about 2.3 inches) a second. In the case of "Bluesette," a waltz, one measure equals a second, so one measure is six centimeters and a quarter note thus equals two centimeters. "Everything is proportional," Charial pointed out.

The mechanical organ is activated as the perforated cardboard is guided through the organ by the wheel. The holes activate a bellows which releases air into the pipes, although Charial's new instrument comes with an electric air compressor. A millimeter of difference in the placement of the holes can make the music out of time and out of tune. The speed the wheel turns counts. "You see the music," Charial said: "It's visual."

Charial is the rare combination of *noteur* and performer. Eight years ago he was a pianist and teacher. After meeting a friend who had an *orgue de Barbarie*, out of curiosity he perforated a cardboard with a pair of scissors. (*Orgue de Barbarie* is a French term for a hand-turned mechanical organ, a deformation of the name of Giovanni Barberi, an 18th-century Italian maker of barrel organs.)

This first attempt didn't work, but he liked the unhurried nature of the work. He tried again. When he discovered there were only one or two *noteurs* in France, plenty of customers, and just about nobody performing a serious repertoire on the instrument, the hobby became a career.

By now he has 100 clients, many on the streets with monkeys, who buy his hand-cut arrangements of traditional popular songs at 310 francs each. In eight years he has cut eight tons of cardboard, about 50 miles (or 80 kilometers).

The mechanical organ can be traced back at least back to the ninth century, when a basic system of weights activated church bells. The 18th century was the *grande époque*, as Charial calls it.

"The music was popular in salons and Mozart wrote precise, serious pieces for the instrument. During the 19th century it became a popular street instrument. The player piano was invented around the turn of the century. It worked on the same principle except that a role of paper replaced the cardboard and it was played not written. As the pianist played the original, a note was traced in pencil on a roll or paper inside the piano. Later a *noteur* cut holes over the traces. Then it could be played back. Debussy made piano rolls, Ravel also, George Gershwin made a lot of them." One of Gershwin's was a four-hand version of "Rhapsody in Blue," with Gershwin playing both parts.

The phonograph and the radio took over in the '20s, and from then until about 10 years ago the mechanical organ was reduced to the level of folklore, a curiosity not to be taken seriously. There has been a revival in the last 10 years, perhaps as a side effect of synthesizers.

"The cardboard is like a computer program," Charial said. "We can 'program' a lot of music on it that would be unplayable by a pianist or organist. The advantage over a synthesizer is the quality of sound. No two pipes have the same texture, the sound is natural, warm, acoustic, produced by wood rather than metal and plastic. It's such a wonderful instrument. I have to admit I think about nothing else."

"Roulez les Mécaniques," Mâcon, through July 19.

Pierre Charial, who is perhaps the world's only jazz mechanical organ player.

Robin Leach Gets Famous, if Not Rich, in Jacuzzi Journalism

International Herald Tribune

NEW YORK — He has been called every bad name in the book. He has been called the guru of glitter, an entrepreneur of glitz and the king of Jacuzzi journalism.

None of this fazes Robin Leach, executive producer and host of "Lifestyles of the Rich and Famous," a television series that he admits has to be, after "Dallas," the show people most love to hate.

"It's guilt-pleasure," Leach said from his Third Avenue office, which has a spectacular view over Manhattan. "Like going into your tub with your tuxedo and champagne." Looking like the cat who has just swallowed the canary, he added: "I used to work for the Daily Mail. This is not brain surgery, you know."

HEBE DORSEY

Since its beginning barely three years ago, "Lifestyles" has evolved from a show nobody would admit to watching to being accepted and even enjoyed by, yes, the rich and famous, including David Rockefeller, who reportedly has "Lifestyles of the Rich and Famous" parties to watch to show on Sunday nights.

Critics, however, still pound on "Lifestyles." A recent New York Times review referred to "glitzy television packages that make any attempts at parody superfluous."

Still, there seems to be an unquenchable appetite for this celebrity-watching, trivial as it may sound. The success of "Lifestyles" prompted Leach and Al Masini (who created the show) to come up with "Fame, Fortune and Romance," a daytime series that premiered June 16 in a two-week test run.

"The difference between 'Lifestyles' and 'Fame, Fortune and Romance,'" Leach said, "is that in 'Lifestyles' we are terribly into prietags and possessions. I love to go into closets and scream at the top of my voice: 'This lady has 48 gowns each costing $10,000 apiece.' 'Fame, Fortune and Romance' is more inspirational. We want to know how people overcame all odds. It's soap opera, but life is a giant soap opera."

The show opened with Leach in Saint Tropez: "Welcome to 'Fame, Fortune and Romance,' your privileged daily passport right into the heart of the winners' circle."

The starting Romance was Raquel Welch and her husband, André Weinfeld, ending with Weinfeld scooping his wife into his arms and dancing around a romantic terrace on Mustique. The next segment, Fortune, had Sophia Loren in her new Florida retreat. This was just another version of Loren's rags-to-riches story, backed by a lot of old snapshots, but Leach maintained, "Nobody had been to her house in Florida. She never talked like that before." Loren opened with: "I was born wise. Street-wise, people-wise, self-wise. I was also born old. And illegitimate."

It takes 100 people, 60 in Manhattan and 40 in Los Angeles, to produce "Lifestyles," which, as Leach is proud to say, is No. 1 in the ratings in Hong Kong, Singapore, Malaysia and West Germany.

"We're in 20 countries, but not in Paris. We're talking to Canal Plus," the French pay-TV channel. "On July 1 we will start in London. They'll condemn it," he added. "Oh yes, they will. Can you imagine the British — they will say it's decadent. It's not like in America; they resent money in England. But Thames Television bought it, so they're going to see it."

Leach, 45, was born in Harrow, south of London, in a lower-middle-class family whose accent he retains. He went to New York in 1963, worked in retailing, and eventually used his street-smart, Fleet Street background to get a job as entertainment reporter for the television show "Entertainment Tonight" and for Cable News Network. He was also a columnist for The Star supermarket tabloid.

He conceived of "Lifestyles" after deciding that "Entertainment Tonight" did not understand what he called "the importance of furniture shots."

"It used to greatly aggravate me that we would do wonderful interviews in people's houses and we would never see the chair they were sitting on. If you see a blond bombshell in a bubble bath, I think it's far more believable than her claim she wants to do Shakespeare down the road."

Leach is a relaxed, fun and cordial man, but on the air his accent and frantic delivery work against him. He knows it, but said of his style: "There's a technical reason for this. We have twice as much information and we have twice as many images as other shows. I'm a great believer in shoveling in ten pounds of glitzy fertilizer into a five-pound bag. I get excited, I get out of breath, and this is why I shout. I haven't learnt to do it in a laid-back voice."

In the three years that the show has been on the air, Leach has interviewed about 800 Rich and Famous people, has gone to thousands of parties, and still loves it. His own lifestyle has not been affected much, he said. "I pay myself a lousy salary." His only luxury, he claimed, is a Jacuzzi in the $185,000 Connecticut house he bought 14 years ago. He keeps a small apartment in Manhattan and spends most of his time living out of a suitcase.

Leach, in China: "I pay myself a lousy salary."

Asked how he came up with "Lifestyles," he said: "Aren't we all curious about how the other half lives?" With the zeal of a television papparazzo, Leach has found out, and so have his viewers. He has guzzled champagne with Adnan Khashoggi, who invited him to his 50th birthday party; the animal-loving actress Brooke Shields, who agreed to be on his program in exchange for a safari in Africa; the real estate magnate Donald Trump, "who has a charming Connecticut estate with 14 bedrooms, 18 bathrooms and a dining room large enough to be a chic bistro"; the publisher Malcom Forbes, whom he called "The Ultimate Capitalist"; and the actress Morgan Fairchild, with whom he shared a trip on the Orient Express for the show.

The undefatigable Leach logs 250,000 miles a year. Opening rich people's closets and bedrooms has taken him far and wide, most recently to China with the sex-exp[illegible] Dr. Ruth Westheimer. "This wa[illegible] killer," he recalled. "My crew w[illegible] there two weeks, but I was the eight hours. I still do all the ma[illegible] interviews."

His next project is a trip to [illegible] Leningrad for sales in July with [illegible] Prince and Princess von Thurn u[illegible] Taxis. "Gloria" — the princess — "will be our guide to buying [illegible] Can you imagine Gloria look[illegible] Leningrad? I cannot wait for [illegible] one."

"We've filmed most fashion d[illegible] signers, from Versace to Cass[illegible] because, like chefs, they're [illegible] stars. Valentino is going to straig[illegible] on up my act. He's going to m[illegible] my clothes for next year," Lea[illegible] said, laughing at his cordroys a[illegible] open-necked plaid shirt.

Leach denied reports that [illegible] paid half a million dollars to co[illegible] the recent ball given by the Pri[illegible] and Princess von Thurn und Ta[illegible] "We simply couldn't afford it." [illegible] did admit, however, that Elizab[illegible] Taylor conned him into buying [illegible] a $2,200 painting after doing [illegible] show with him in an art gall[illegible] "I'm just lucky that I wasn't in [illegible] Rolls-Royce showroom," he sai[illegible]

Actress' Project Leads to Prison Film

By Matt Wolf
The Associated Press

LONDON — The South African actress Alice Krige, who played the evil apparition that tormented four old men in the film "Ghost Story," is working on a film about a prison inmate, written by a prison inmate.

Since October 1984, Krige has been doing writing and acting workshops at Dartmoor Prison in Devonshire in southern England. Three scripts came out of the workshop. In September, one will be filmed by the British Film Institute, on a $600,000 budget. It is tentatively titled "Nonce."

Prison regulations demand that inmates involved in the project remain anonymous. Krige said the prisoner who wrote "Nonce" was quite talented. About 50 percent of the cast will be inmates, trained by the director Paul Schoolman. The others will be professional actors.

"The men's work I think is breathtaking," said Krige, 31. "They work with great simplicity and directness. They just lay it down; it's there. It's the only prison drama I know of actually initiated by the men themselves. There's certainly been nothing that draws inmates into the creative process from the very beginning."

"Nonce" is the story of a man who pleads guilty to raping his common-law wife. It is the first film project Krige has had a role in developing.

"Almost all the work I've ever done has meant something to me, and I've done it for a reason I thought made it worth doing," Krige said.

This year she has co-starred with Richard Chamberlain in the CBS miniseries "Dream West" and with Vanessa Redgrave in the CBS movie "Second Serve." She played the opera singer in "Chariots of Fire" and the ghost in "Ghost Story." She was also in Bruce Beresford's "King David." In "Nonce," she will play the wife. The rapist [illegible] not been cast yet.

Krige is a 1979 graduate of Lo[illegible] don's Central School of Speech a[illegible] Drama. She lives in St. Albans [illegible] cathedral city northwest of L[illegible] don. She says she feels the roots[illegible] ness that comes from being a Sou[illegible] African expatriate in England w[illegible] works much of the year in the Un[illegible] ed States, and she doubts she co[illegible] return permanently to South Af[illegible] ca, where she has not lived for [illegible] years.

"You are absolutely contain[illegible] within the structure of the soci[illegible] and obliged to function along the [illegible] lines to a very great extent" [illegible] South Africa, she said. "I find th[illegible] excruciatingly painful."

Surtitled Operas At Covent Garden

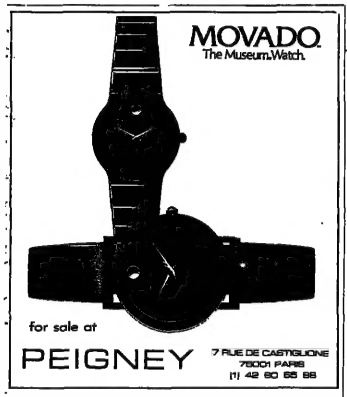
Reuters

LONDON — Risking the disgust of purists, the Royal Opera at Covent Garden will start using surtitles this fall for foreign-language productions, officials said Monday.

Key lines will be projected above the stage starting Nov. 17 with a production in Czech of Leos Janacek's "Jenufa," directed by Yuri Lyubimov.

Sir John Tooley, Covent Garden's general director, said he wanted to use surtitles on all foreign-language operas, though not necessarily at every performance.

DOONESBURY



2 for 1

Take advantage of our special rates for new subscribers and we'll give you an extra month of Tribs *free* for each six months you subscribe. Total savings: nearly 50% off the newsstand price in most European countries!

To: Subscription Manager, International Herald Tribune, 181, avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.

Please enter my subscription for:
☐ 12 months (+2 months *free*)
☐ 6 months (+1 month *free*)
☐ 3 months (+2 weeks *free*)
☐ My check is enclosed

Please charge my:
☐ Access ☐ American Express
☐ Diners Club ☐ Eurocard
☐ Mastercard ☐ Visa

Card expiry date _____

Signature _____

Card account number _____

Name _____

Address _____

City _____ Country _____

Tel. _____ Telex _____ 24-6-86

Special introductory rates for new subscribers. Please circle the reduced subscription price selected. Valid through August 31, 1986.

Country	Currency	1 year	6 mos.	3 mos.
Austria	A. Sch.	4,800	2,600	1,450
Belgium	B.Fr.	10,700	5,800	3,200
Denmark	D.Kr.	2,300	1,250	690
Finland	F.M.	1,630	880	490
France	F.F.	1,400	760	420
Germany*	D.M.	560	300	170
Great Britain	£	120	65	36
Greece	Dr.	20,000	11,000	6,000
Netherlands	FL	634	340	190
Ireland	E.M.	140	77	42
Italy	Lire	260,000	190,000	106,000
Luxembourg	Lfr.	10,700	5,800	3,200
Norway*	N.Kr.	1,650	900	500
Portugal	Esc.	19,000	10,400	5,700
Spain*	Pes.	26,500	14,600	8,000
Sweden*	S.Kr.	1,700	920	520
Switzerland	S.Fr.	490	270	148
Rest of Europe, North Africa, former French Africa, Middle East	$	400	200	120
Rest of Africa, Gulf States, Asia	$	550	300	165

* Postal subscriptions in these countries do not arrive on the day of issue.
☐ Please check here for information on hand delivery rates and fill in your address above.

ESCADA
SALES
40% off +
15% export discount
Marie-Martine
8, Rue de Sèvres, Paris 6th.
Tel.: (1) 42.22.18.44.
Credit cards

Who will give you superior service on your next trip in Asia?

Problem Solver *Rosanna Chan—Room Maid*

The wonders of travel have long been extolled but its woes can be legion.

At Holiday Inn we keep this in mind always, offering you a staff committed solely to service. We're re-defining customer service with people who accept the responsibility to go beyond mere titles and become Problem Solvers — at all levels.

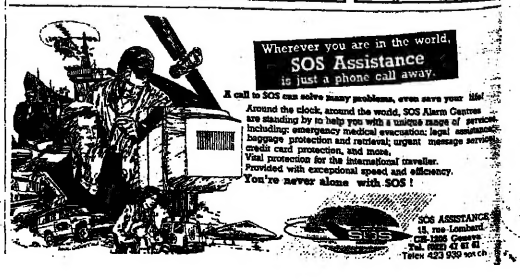
Service to us means keeping the sense of wonder and eliminating the woe — because we care about the small things in life.

Holiday Inn.
... We care about the small things in life.

Holiday Inn
International-Asia/Pacific

For further information and reservations, contact your travel agent, any Holiday Inn hotel or Holiday Inn International Sales Office (Frankfurt: tel. (069) 6094-126, telex 412874; Paris: tel. 33 + 1 - 806-2000, telex 670068; Rome: tel. 06/5222693, telex 626038; London: tel. 01 722 7755, telex 27574.)

Holiday Inn Hotels in Asia/Pacific
Bangalore • Lido Beijing • Bombay • Colombo • Golden Mile Hong Kong • Harbour View Hong Kong Islamabad • Johor Bahru • Kanazawa • City Centre Kuala Lumpur • On The Park Kuala Lumpur • Karachi Kuching • Kyoto • Manila • Nagasaki • Nankai-Osaka • Narita • Penang • Park View Singapore Royal Singapore • Meridien Sydney • Surfers Paradise • Tokyo • Toyohashi • Yokohama



Statistics Index

AMEX prices	P.15	Earnings reports	P.14
AMEX highs/lows	P.15	Filing rate sales	P.15
NYSE prices	P.15	Gold markets	P.17
NYSE highs/lows	P.14	Interest rates	P.11
Canadian stocks	P.17	Market summary	P.12
Currency rates	P.11	Options	P.14
Commodities	P.14	OTC stock	P.16
Dividends	P.14	Other markets	P.17

Herald Tribune

BUSINESS/FINANCE

TUESDAY, JUNE 24, 1986

U.S. Stocks Report, Page 12.

INTERNATIONAL STOCK MARKETS

Malaysian Exchange Seeks Foreign Brokerage Offices

By HO WAH FOON
Reuters

KUALA LUMPUR, Malaysia — The Kuala Lumpur Stock Exchange will suggest to the government that foreign brokers who do not want to take stakes in local brokerage firms be allowed to open representative offices in Malaysia, the exchange's chairman, Nik Mohamed Din, said in an interview.

Under changes approved by the government last April, banks and foreign brokers may buy stakes in local brokerage firms. The process, called "corporatization," is aimed at injecting professionalism and funds into Malaysia's 47 brokerages.

Mr. Nik said banks may not open their own broking firms. Market sources said banks and foreign brokers were reluctant to do so because many brokerages have big liabilities.

No foreign stockbrokers have opened talks with local brokers.

Only one merchant bank has bought into a securities firm since the rules were relaxed, Mr. Nik said. He said other banks seeking broking licenses were told to negotiate with 42 brokers who want investment.

Malayan Banking BHD, Bank Bumiputra Malaysia BHD, United Malayan Banking Corp. and an unnamed foreign broker are now negotiating with local brokers, he said.

No foreign stockbrokers have opened such talks with local brokers, Mr. Nik said. Industry sources said foreigners were deterred by rules limiting foreign ownership in local companies to 30 percent.

"We will suggest to the authorities that where foreign brokers do not want to take up stakes in local firms they be allowed to set up representative offices here," Mr. Nik said.

THE EXCHANGE has introduced other measures to help the securities industry, which was devastated by the collapse of the Singapore-based Pan-Electric Industries Ltd. in November.

Mr. Nik said the exchange had set up a group to analyze performance of quoted companies to prevent another crisis like the one that followed the Pan-Electric collapse. Stock trading in Singapore and Malaysia was suspended for three days after the collapse.

"Early suspension of a company on the verge of collapse would serve as an early warning to potential investors," Mr. Nik said.

The exchange has drafted guidelines that require quoted companies to disclose more information to the public and by the end of the year it plans to introduce a system of instant price reporting, Mr. Nik said.

The rise of stock prices in the past four weeks is an indication that market confidence is returning, he said. Share prices have risen 20 to 30 percent across the board and there has been some renewed institutional buying. Volume has also picked up considerably.

Share analysts said that there were signs that the electronics, textile and timber industries were recovering and that spillover from the buoyant Singapore market had helped boost prices on both exchanges.

Merchant bankers said foreign investment, mainly from Japan but also from Europe and the United States, had been flowing in through Singapore.

Brokers said Malaysian and Singaporean shares appear to be bargains to Japanese buyers because the prices of many are below the level of net tangible assets and the yen has appreciated more than 40 percent against the ringgit in the past six months.

Prices on the exchange rose Monday, boosted by the Singapore market. The KLSE composite index rose 8.96 points to close at 228.96 and the industrial index was up 13.22 to 419.94.

Currency Rates

Cross Rates

June 23

	$	DM.	F.F.	S.L.	Guer.	S.F.	S.F.	Yen
Amsterdam	2.8575	3.054	11.4525 *	32.38 *	0.1442 *	2.172 *	127.07 *	121.19 *
Brussels(a)	46.4875	49.682	186.404	6.487	2.3779 *	35.345	2.066 *	1.97 *
Frankfurt	1.3997	1.496	5.6	21.24 *	0.7174 *	1.064 *	62.21 *	59.37 *
London (b)	1.4995	1.6025	6.0025	16.3425	5.371.50	3.2963	66.725	3.1775	59.25
Milan	1,684.75	1,814.44	6,794.50	2,174.50	—	1,191.75	23,925	1,191.25	1,141
New York(c)	—	0.669 =	2.5225	7.6985	1,825.85	2.204	45.425	1.055	101.05
Paris	7.2425	7.7375	2.1885	—	4,645.75	5.625	115.625 *	5.3775	53.25
Tokyo	140.10	151.56	571.25	163.32	38,624 *	43.87	2,411.11 *	93.74	—
Zurich	1.8593	2.7631	61.09 *	22.725 *	0.1797 *	72.768 *	4.013 *	—	1.101 *

1 ECU 0.8475 0.9245 3.1499 0.8551 1,404.76 2.4211 42.2325 1.7339 102.05
1 SDR 1.13096 0.71488 2.82273 0.76386 N.A. 2.1593 37.4866 1.5486 105.413

Closings in London and Zurich, fixings in other European centers. New York rates at 4 P.M. (a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) Units of 100 (c) Units of 1,000 (y) Units of 10,000 N.A.: not available. N.A.: not available. (=) To buy one pound: 81.53.5175

Other Dollar Values

Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$
Argen. austral	0.84	Fin. markka	5.19	Mex. peso	612.50	Saudi riyal	3.7500
Austral. $	1.4631	Greek drac.	141.00	Neth. guilder	2.57	Span. peseta	144.50
Austr. schil.	15.83	Hong Kong $	7.8115	Norw. krone	7.05	Swed. krona	7.223
Belg. fin. fr.	44.41	Indian rupee	13.30	Pak. rupee	19.05	Taiwan $	38.10
Brazil cruz.	13.77	Indn. rupiah	1,129.00	Peru. inti	3.7507	Thai baht	26.385
Canadian $	1.387	Irish $	0.7996	Port. escudo	149.00	Turkish lira	448.35
Chinese yuan	3.7047	Israeli shek.	1.487	Saudi riyal	3.7507	U.K. pound	0.6675
Danish krone	8.4125	Kuwaiti dinar	0.2957	S. Afr. rand	2.4615	UAE dirham	3.673
Egypt. pound	1.37	Malay. ringg.	2.4555	S. Kor. won	884.00	Venez. bolIv.	17.05

A Sterling: 1.1137 Irish £

Sources: Banque de Bruxelles (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAH (other. rlvds dirhams) Guitonb (rubs). Other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits

June 23

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
1 month	6 ⅝-7 ⅛	4½-4⅝	5¾-6	10-10½	7¼-7½	7 ¾-7 ⅞	5⅝
3 months	6 ⅝-7 ⅛	4½-4⅝	5 ¼-5 ⅜	9 ¾-10 ⅛	7¼-7½	7 ¼-7 ⅜	5⅝
6 months	6 ⅝-7 ⅛	4 ⅝-4 ¾	5½-5⅝	9 ¾-9 ⅞	7¼-7½	7 ¼-7 ⅜	6⅛
9 months	6 ⅝-7 ⅛	4 ⅝-4 ¾	5 ⅛-5 ¼	9¾-9⅞	7 1/16-7⅜	7 ¼-7 ⅜	6⅛
1 year	7 ⅛-7 ¼	4⅝-4¾	5⅛-5¼	9 ¾-9 ⅞	7 ⅛-7 ⅜	7 ¼-7 ⅜	6 ⅛

Sources: Morgan Guaranty (dollar, DM, SF, Pound, FF); Lloyds Bank (ECU); Reuters (SDR). Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

June 23

United States	Class	Prev.
Discount Rate	6½	6½
Federal Funds	6 13/16	6⅝
Prime Rate	8	8½
Broker Loan Rate	7¾	7¾
Com Paper 30-179 days	6.65	6.70
3-month Treasury Bills	5.55	5.70
6-month Treasury Bills	5.77	5.75
CD's 30-89 days	6.30	6.41
CD's 90-179 days	6.38	6.55
West Germany		
Lombard Rate	5.50	5.50
Overnight Rate	4.35	4.30
One Month Interbank	4.55	4.55
3-month Interbank	4.60	4.60
6-month Interbank	4.65	4.65
France		
Intervention Rate	7	7
Call Money	7	7¼
One-month Interbank	7¼	7¼
3-month Interbank	7¼	7¼
6-month Interbank	7¼	7¼
Britain		
Bank Base Rate	10	10
Call Money	9½	10¼
90-day Treasury Bill	9 15/16	9 15/16
3-month Interbank	9 19/32	9 19/32
Japan		
Discount Rate	3½	3½
Call Money	4 5/16	4 5/16
90-day Interbank	4¾	4¾

Sources: Reuters, Commerzbank, Credit Lyonnais, Bank of Tokyo.

Asian Dollar Deposits

June 23

1 month	6 ⅛-7 ⅛
3 months	6 ⅛-7 ⅛
6 months	6 ⅛-7 ⅛
9 months	6 ⅛-7 ⅛
1 year	7-7⅛

Source: Reuters.

U.S. Money Market Funds

June 23

Merrill Lynch Ready Assets
30 day average yield: 4.73
Telerate Interest Rate Index: 4.68

Source: Merrill Lynch, Telerate.

Gold

June 23

	A.M.	P.M.	Ch'ge
Hong Kong	397.00	398.00	+ 1.10
Luxembourg	Clsd.		
Paris (15.5 kilo)	345.07	346.46	+ 1.21
Zurich	345.00	346.70	+ 0.95
London	345.00	341.85	+ 1.40
New York	—	341.80	+ 0.60

Luxembourg, Paris and London official fixings; Hong Kong and Zurich evening and closing prices; New York Comex current contract. All prices in U.S. $ per ounce.

Source: Reuters.

Markets Close

Financial markets were closed Monday in Luxembourg because of a holiday.

Pennzoil Will Get Hearing

High Court Takes Texaco Dispute

United Press International

WASHINGTON — The U.S. Supreme Court agreed Monday to decide whether a federal court may suspend a Texas law requiring Texaco Inc. to post an $11.1-billion bond while appealing a judgment won by Pennzoil Co.

The court will hear arguments next term in the case brought by Pennzoil seeking review of a ruling by the 2d U.S. Circuit Court of Appeals.

A Texas state court originally ordered Texaco to pay $11.1 billion to Pennzoil for illegally interfering in its planned takeover of Getty Oil Co. Under Texas law, Texaco *would be required to post the full* judgment in order to appeal. Rather than do that, Texaco went to federal court in New York.

The federal court ruled in December that the Texas requirement violated Texaco's constitutional rights because the amount of the judgment tindered Texaco's ability to appeal. It ordered Texaco to post security of $1 billion, and in February the appeals court agreed.

In asking the Supreme Court to review the judgment, Pennzoil contended that federal courts had no right to enter the case.

Pennzoil said that, under the federal court rulings, "dissatisfied state court litigants are free to roam across jurisdictional borders . . . manipulating federal tribunals into supplanting state courts and state policies and supervising state procedures in pending state litigation."

Texaco argued that the federal court ruling was narrow and said the case was unique in the amount of judgment, which it calls the "largest civil judgment in United States legal history."

The two oil companies have been negotiating since late last year.

In November, a Houston jury found that Texaco illegally enticed Getty to back out of a merger agreement with Pennzoil. Texaco then posted a bond for $10.1 billion. A judge upheld the jury's $10.53-billion judgment against Texaco and added interest to bring the total to more than $11.1 billion.

People Says It Is Studying Sale of Firm

June 23

Compiled by Our Staff From Dispatches

NEWARK, New Jersey — People Express Inc., the low-fare U.S. airline, said Monday that it was exploring the possible sale of part or all of the company.

In response to rumors of financial problems and significant trading volume in its stock, the company said it had enough resources to meet its current obligations and expected its recently announced fare cuts to generate volume and cash flow for the rest of the summer.

People had a loss of $58 million in the first quarter of 1986, compared with a loss of $18.8 million in the first quarter of 1985.

People stock fell 50 cents to $5.50 Monday before a halt in over-the-counter trading. The stock, which fell $1 on Friday, was beginning to recover at the time of the halt.

Earlier in the day, a Zurich report said that a convertible Swiss franc bond for People Express dropped 8 points, reflecting what dealers said was a total lack of demand, bringing the total loss since its introductions to about 25 points.

On Friday, People announced that it had cut fares by about 30 percent in most of its markets. The cuts were made at a time when the airline was hoping to build up cash.

Analysts said it was uncertain whether the reductions would result in a surge of bookings because other airlines were expected to match the cuts.

The company said Monday that in light of airline industry consolidation, it was exploring several alternatives to increase revenues, including a plan to produce significant cost savings and sales of specific assets.

Morgan Stanley & Co. is People's financial adviser.

(Reuters, NYT)

Britain's Hawley Looks to the U.S.

By Steve Lohr
New York Times Service

LONDON — In Britain, building cleaning and maintenance is only a $1-billion-a-year business; but in the United States, it generates about $17 billion a year. Small wonder, then, that London-based Hawley Group has aggressively reached across the Atlantic.

Last month, the company made its biggest move yet, when it persuaded Pritchard Services Group, another London-based cleaning services company that has extensive operations in the United States, to merge in an accord valued at about $235 million.

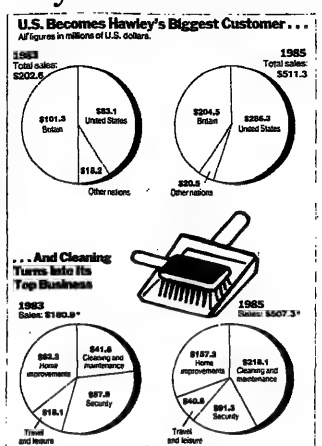
The combination will double Hawley's sales, to more than $1 billion a year, making it the largest office-cleaning concern in Britain, and the second largest in America, after Servicemaster Industries.

Even before the merger, Hawley had sharply increased its U.S. operations. By 1985, *Hawley derived 55 percent of* its sales and 60 percent of its pretax profits from the United States, with most of the rest coming from Britain.

"The opportunities are pulling us more and more into the United States," said Michael A. Ashcroft, the company's 40-year-old chairman and president. Britain, he noted, is still far less a consumer of services than is the United States.

If Hawley is focusing on America, America in return is focusing on Hawley. The company's profit growth has attracted the attention of American investors in recent months. Since last fall, U.S. holdings of Hawley's stock have jumped from about 5 percent of the total outstanding, to 30 percent, while the company's share price advanced more than 50 percent during the same period.

At first glance, Hawley's businesses look just plain dull — largely office and hospital cleaning as well as home improvements, security and bus tours of Europe.



"Sweeping and scrubbing offices in the middle of the night is a singularly unglamorous business," noted Peter Knapton, a London-based investment fund manager. "But with good management, you can make a lot of money at it."

Hawley has done precisely that, as it was acquired in 1977 by Mr. Ashcroft. At the time, Hawley had revenues of $1.7 million and a history of chronic unprofitability. Its bankers were threatening it with liquidation.

Under Mr. Ashcroft's stewardship, Hawley has grown at a torrid pace, and its "unglamorous" cleaning operation, which has become its biggest division in the last couple of years, has helped turn the company into an anything-but-dull profitmaker.

The Hawley formula is to acquire service businesses in fragmented industries, and then tighten operations and financial controls on the pool of cash generated by the new units. The formula has paid off handsomely.

Over the last five years, the company's sales have increased at an average annual rate of 133 percent, to $511.3 million in 1985, while pretax earnings have advanced at an average yearly clip of 98 percent, to $43.2 million last year.

When Hawley made its hostile bid for Pritchard on May 13, the family-run target company dismissed the $218-million offer as "opportunistic" and its terms as inadequate. Yet the offer looked attractive to many Pritchard

See HAWLEY, Page 16

World Bank Delays Vote on Loan to Brazil

Reuters

WASHINGTON — The World Bank has postponed a vote on a $450-million agriculture loan for Brazil at the request of the United States, monetary sources said Monday. The vote by the World Bank's executive board, which was scheduled for Monday, had been expected to pass despite U.S. opposition.

It was not known how long it would be delayed.

The loan is designed, in part, to reduce government subsidies to Brazilian farmers. U.S. farmers have argued that the Reagan administration should help them before it helps foreign farmers.

Last Thursday, the United States voted against a $500-million electric-power development loan for Brazil, but the World Bank's executive board overrode U.S. objections and approved the loan. The United States, which has 20.9 percent of the weighted votes at the bank, cannot block loans without support from other governments.

The loan to improve operation of Brazil's hydroelectric industry was opposed by environmentalists and some members of the U.S. Congress who argued that the power project would lead to flooding of a tropical forest.

The Reagan administration was dissatisfied with the preparation of the financing, in part because it was approved before measures to provide further funding for the project were satisfactorily in place, U.S. officials say.

The decision by the United States to oppose the electric-power loan and the request for postponement of the agriculture loan seem to reflect the recent deterioration in trade relations between the two countries.

The administration says its opposition to the loans is based on their individual failings rather than on a broad policy, but there are also political considerations.

The U.S. Soybean Association, a trade group, recently complained in its newsletter that, "It makes no sense for the World Bank to make loans to boost production of commodities already in surplus and already selling at low prices."

More broadly, there is the issue of computer trade between the United States and Brazil, a dispute that has been growing for months. Brazil's informatics law, which prohibits the import of U.S. microcomputers and minicomputers, surprised and angered American trade planners.

The largest domestic issue faced by the Reagan administration is the country's record $150-billion trade deficit and, for this reason, the computer dispute looms large. The deficit not only reflects the impact of imports but also the difficulty U.S. manufacturers are having competing overseas despite the recent drop in the value of the dollar.

The computer issue is the most dramatic trade concern dividing the two countries, but by no means the only one.

U.S. corn growers are upset about imports of ethanol. And the Florida orange juice industry has petitioned the International Trade Commission, an independent U.S. body that makes recommendations to the government on trade issues, alleging that Brazil is dumping frozen orange-juice concentrate on the U.S. market.

Brazil, the largest of the Latin American debtor countries with about $100 billion in debt, has been critical of what it views as protectionist measures in the industrial countries against its exports. Its need to sell goods overseas has become more important as it attempts to cope with debt payments and other economic problems.

As Crisis Deepens, South African Firms 'Invest' in Reforms

By Alan Cowell
New York Times Service

JOHANNESBURG — Caught between a black revolt that seems more persistent and blood-stained than ever before and the harsh state of emergency declared earlier this month by the white authorities, South Africa's business leaders found themselves in a curious position over the last few days.

Black labor unions, legal since 1979 and increasingly powerful in the last few years, are virtually the only hope that executives have of keeping some kind of shop-floor order during and after the turmoil.

In the last week, during a wave of detentions across the country, some employers began contacting normally hostile unions with an unusual peace offering: They asked if the unions needed assistance in seeking the release of detained unionists so that annual pay negotiations could proceed.

The business executives' appeal to the unionists highlights the quandary in which corporate leaders now find themselves.

The question facing executives boils down to this: How can business meet black aspirations yet maintain profitability and a system of free enterprise? And does meeting those aspirations anticipate a future whose time and political shadings are still only dimly perceived?

"South African business today faces a serious dilemma," said Clive Menell, deputy chairman of the Anglovaal Ltd. mining company, at a meeting in New York last month.

He said business depended for its prosperity on the increased involvement of blacks as wage earners, consumers, skilled workers and managers. Yet, he said, "the vast majority of black South Africans regard business, the government, apartheid, the status quo and, if you like, the devil, as one."

Over the years, many blacks came to equate the apartheid laws, which provided the cheap labor that boosted profits in this wealthy land, with capitalism itself.

Now, as the political crisis deepens, some of the nation's business leaders are maneuvering for position in anticipation of political change that will leave them, some years down the road, answerable to a government in which blacks form at least a numerical majority.

But the black mistrust of white employers is so great that last week's offerings of assistance sometimes were greeted more by cynical dismissal than with the embrace that business would like to feel. It is, after all, the black majority that provides the consumer power, labor and the skills that will be needed if the economy, now in recession, is to expand.

If black workers are looking with distrust on their employers, they are listening with greater attention, particularly in the nation's segregated black townships, to left-leaning black labor unions. The labor leaders talk with mounting stridency, and not simply of pay increases and improved conditions.

They now talk of a redistribution of wealth, echoing the socialist principles enshrined in the Freedom Charter, the manifesto of the outlawed and exiled African National Congress, which has a substantial following. The congress, based in Zambia, is the most prominent guerrilla organization seeking to overthrow white minority rule.

For companies doing business in South Africa, clearly this is a time of great flux. American companies operating in South Africa, under pressure from politically sensitive boardrooms back home, have joined many South African companies in calling for more rapid political reform.

But such appeals may seem almost frivolous in light of the state of emergency imposed June 12, the nation's harshest ever. And there is scant evidence that such appeals divert the nation's white Afrikaner leaders from policies aimed at guaranteeing their own survival.

When the talk turns to the role of South African business in the process of political change, some business leaders like to preface their remarks by telling the visitor that such involvement is not that new.

Raymond Parsons, president of South Africa's Associated Chambers of Commerce, the country's biggest employer federation, recently showed a reporter some correspondence dating to 1960 between the organization and Hendrik F. Verwoerd, who was then the prime minister.

That was the year of the Sharpeville massacre, in which 69 blacks were shot dead by the police for protesting the pass laws. The tragedy launched a crisis that led to the outlawing of leading black political organizations, including the African National Congress, and a flight of foreign capital.

The message seemed to be that business in South Africa responds more to crisis in its quest for reform than to years of economic growth and of black quiescence.

Since September 1984, South Africa has again been in turmoil. More than 1,600 people have died in violent protest, the currency has faltered and parts of the foreign debt repayments have been frozen.

As in the wake of the 1976 Soweto uprising, big business, unsettled by the depth of black protest, has become more vocal in calls for reform.

Business, by and large, is seeking to distance the economic system of free enterprise from the political system of apartheid in the eyes of a suspicious black majority.

Last September, 91 South African business executives, most of them members of the country's English-speaking corporate elite, signed a full-page newspaper advertisement calling for an end to statutory racial discrimination and for other fundamental changes.

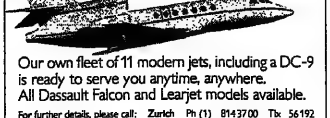
Earlier in the year, English and Afrikaans-speaking executives joined in an unprecedented appeal against U.S. disinvestment.

In recent months, both the Associated Chambers of Commerce and the Federated Chamber of Industries have advanced detailed proposals for political federalism, a system that would give everyone in South Africa a vote but retain guarantees to the white minority that its voice would not be lost.

Political federalism was proposed as a means of ending apartheid without the introduction of a unitary state and a universal franchise. That system, as advanced by the African National Congress, is feared by some whites, who see in it

See SOUTH AFRICA, Page 13

Your Swiss Connection...
Adds to professionalism and reliability in business aviation



Our own fleet of 11 modern jets, including a DC-9 is ready to serve you anytime, anywhere.
All Dassault Falcon and Learjet models available.

For further details, please call: Zurich Ph (1) 8143700 Tlx 56192
Paris Ph (1) 4835 9485 Tlx 232917
Milan Ph (2) 27 84 32 Tlx 335475
Madrid Ph (1) 259 32 24 Tlx 44192

Head Office: Geneva
Ph (22) 98 45 10 Tlx 289166

alpa AEROLEASING GENEVA

Has your managed investment portfolio gained 50% in the past 12 months?

50%

If not, contact:

Rudolf Wolff

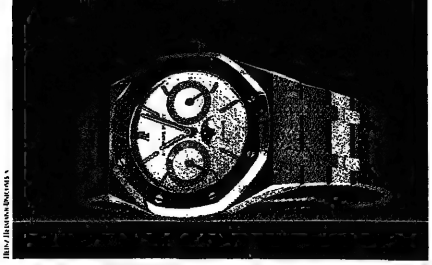
PUTNEY BRIDGE OFFICES

295 Madison Ave New York NY 10017
(212) 573-0440 Telex 4948466 RWFS
Attn Mr Fisher

Please send details to.

Name
Address
Country
Phone
Size
*MINIMUM $50,000 06 24

THE Audemars Piguet
ROYAL OAK.
NOTHING CAN EQUAL
THE ORIGINAL.



The Royal Oak: One of the greatest designs of the 20th century.

O.J. PERRIN
Joaillier

PARIS: 33, avenue Victor-Hugo – 8, rue Royale – Aéroport Charles de Gaulle
GENEVE: 68, rue du Rhône CANNES: 6, la Croisette
MEGEVE: Hôtel Mont-Blanc CRANS-SUR-SIERRE: «Les Trois Vétérans»

Monday's NYSE Closing

Via The Associated Press

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
AT&T	60345	28½	28¼	28¼	— ⅛
Chrysl	58081	70⅞	69¾	70⅞	+1⅛
AmDCG s	49895	69⅝	64	65⅝	+1⅞
PepCo	46800	31	30⅝	30⅞	— ⅛
Nynex s	33968	48⅝	47⅝	47⅝	— ⅛
IBM	30700	121	119	119½	— 1½
KJR Nb	16485	50¼	49⅝	50¼	+ ⅝
Alcoa s	16021	52½	50¾	51⅝	+ ⅝
PhilMr s	16020	71½	69⅝	71½	+1½
BellSo s	15038	47⅝	47⅛	47⅝	+ ⅛
Oakind	9727	14⅝	14⅛	14⅛	— ⅝
Johnsn	9484	52⅝	51	52⅝	+ ⅝
BostTr	9324	19⅝	18⅝	19⅝	+ ⅝
K mart	9300	50⅝	49⅝	50⅝	+ ⅝
BellAt s	9210	71⅝	70⅝	70⅝	—1⅛

Market Sales

NYSE 4 p.m. volume	120,750,000
NYSE prev. corr. close	119,940,000
Amex 4 p.m. volume	9,860,000
Amex prev. corr. close	10,040,000
OTC 4 p.m. volume	113,510,000
NYSE volume up	29,600,000
NYSE volume down	84,440,000
Amex volume up	3,680,000
Amex volume down	4,181,000

NYSE Index

	High	Low	Close	Ch'ge
Composite	141.37	140.43	140.71	— 0.64
Industrials	165.68	164.31	165.24	— .39
Transp.	119.54	118.49	119.54	— 0.41
Utilities	71.70	71.38	71.54	— 0.16
Finance	151.37	150.44	150.66	— 0.72

AMEX Diary

	Close	Prev.
Advanced	592	579
Declined	564	577
Unchanged	313	317
Total issues	1469	1473
New Highs	9	10
New Lows	11	8

NASDAQ Index

	Close	Ch'ge	Week Ago	Year Ago
Composite	353.83	— 0.83	354.54	307.07
Industrials	401.81	— 0.93	403.16	374.61
Finance	341.08	— 0.82	337.83	314.17
Insurance	344.38	— 0.87	344.23	341.79
Utilities	341.64	— 0.19	340.72	324.36
Banks	303.71	— 1.38	302.18	297.42
Transp.	283.57	— 1.15	282.28	283.36

AMEX Most Active

	Vol.	High	Low	Last	Chg.
ICN Pm	4485	22⅝	21⅝	22⅝	+1⅝
Wang	3600	3⅝	3⅝	3⅝	— ⅛
Cetus	3000	4⅝	4⅝	4⅝	— ⅛
Chrysl	2900	70⅝	69⅝	70⅝	+1⅝
Baldwn	2800	5⅝	5⅝	5⅝	— ⅛
Cetus wt	2700	2⅝	2⅝	2⅝	— ⅛
Cetus pf	2600	5⅝	5⅝	5⅝	— ⅛
Cetus pf	2500	5⅝	5⅝	5⅝	— ⅛
Cetus pf	2400	5⅝	5⅝	5⅝	— ⅛
Cetus pf	2300	5⅝	5⅝	5⅝	— ⅛
Cetus pf	2200	5⅝	5⅝	5⅝	— ⅛
Cetus pf	2100	5⅝	5⅝	5⅝	— ⅛
Cetus pf	2000	5⅝	5⅝	5⅝	— ⅛
Cetus pf	1900	5⅝	5⅝	5⅝	— ⅛
Cetus pf	1800	5⅝	5⅝	5⅝	— ⅛
Cetus pf	1700	5⅝	5⅝	5⅝	— ⅛
Cetus pf	1600	5⅝	5⅝	5⅝	— ⅛
Cetus pf	1500	5⅝	5⅝	5⅝	— ⅛
Cetus pf	1400	5⅝	5⅝	5⅝	— ⅛
Cetus pf	1300	5⅝	5⅝	5⅝	— ⅛
Cetus pf	1200	5⅝	5⅝	5⅝	— ⅛
Cetus pf	1100	5⅝	5⅝	5⅝	— ⅛
Cetus pf	1000	5⅝	5⅝	5⅝	— ⅛
Cetus pf	900	5⅝	5⅝	5⅝	— ⅛
Cetus pf	800	5⅝	5⅝	5⅝	— ⅛
Cetus pf	700	5⅝	5⅝	5⅝	— ⅛
Cetus pf	600	5⅝	5⅝	5⅝	— ⅛
Cetus pf	500	5⅝	5⅝	5⅝	— ⅛
Cetus pf	400	5⅝	5⅝	5⅝	— ⅛
Cetus pf	300	5⅝	5⅝	5⅝	— ⅛
Cetus pf	200	5⅝	5⅝	5⅝	— ⅛
Cetus pf	100	5⅝	5⅝	5⅝	— ⅛
Cetus pf	90	5⅝	5⅝	5⅝	— ⅛
Cetus pf	80	5⅝	5⅝	5⅝	— ⅛
Cetus pf	70	5⅝	5⅝	5⅝	— ⅛
Cetus pf	60	5⅝	5⅝	5⅝	— ⅛
Cetus pf	50	5⅝	5⅝	5⅝	— ⅛
Cetus pf	40	5⅝	5⅝	5⅝	— ⅛
Cetus pf	30	5⅝	5⅝	5⅝	— ⅛
Cetus pf	20	5⅝	5⅝	5⅝	— ⅛
Cetus pf	10	5⅝	5⅝	5⅝	— ⅛
Cetus pf	9	5⅝	5⅝	5⅝	— ⅛
Cetus pf	8	5⅝	5⅝	5⅝	— ⅛
Cetus pf	7	5⅝	5⅝	5⅝	— ⅛
Cetus pf	6	5⅝	5⅝	5⅝	— ⅛
Cetus pf	5	5⅝	5⅝	5⅝	— ⅛
Cetus pf	4	5⅝	5⅝	5⅝	— ⅛
Cetus pf	3	5⅝	5⅝	5⅝	— ⅛
Cetus pf	2	5⅝	5⅝	5⅝	— ⅛
Cetus pf	1	5⅝	5⅝	5⅝	— ⅛
Cetus pf	0

هكذا من الأصل

BUSINESS ROUNDUP

May Bids $2.7 Billion To Acquire Associated

Compiled by Our Staff From Dispatches

NEW YORK — May Department Stores has offered to acquire Associated Dry Goods Inc., the owner of the Lord & Taylor and L.S. Ayres department store chains, for the equivalent of $2.7 billion.

The transaction would create one of the largest retailing companies in the United States and continue an industry trend toward consolidation.

May, the third-largest U.S. operator of department stores, and Associated, the fifth-largest, would, if merged, move into a virtual deadlock in terms of sales with the industry leader, Federated Department Stores, which reported sales nearly $10 billion last year.

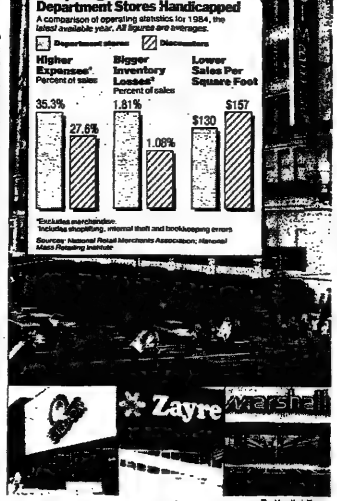
The proposed merger follows dramatic changes for two venerable department store chains. Eleven dumbels stores and six Ohrbach's stores, all in the East, were sold last week. The six remaining Ohrbach's outlets on the West Coast were put up for sale.

In a letter delivered Friday to Joseph H. Johnson, the chairman of Associated, May's chairman, David C. Farrell, said he would pay $66 worth of May common stock for each of the 35 million Associated shares outstanding and $211.20 of May common stock for each Associated preferred share.

Associated rejected as "unreasonable" a Tuesday morning deadline on its response to the offer by May but said its board would consider the offer "in due course."

Stacy Ruchlamer, a retail analyst for Shearson Lehman Brothers, said the $66-a-share price was fair and represented 20 times Associated's projected earnings for 1986. "May is getting Associated at a time when operationally they're not at top performance," he said.

The announcement of May's offer sent Associated's stock soaring $18.875 Monday to close at $64.875 on the New York Stock Exchange. May stock fell $4.75 to $83. *(NYT, AP)*



The New York Times

Gimbels in Manhattan is one of the latest casualties of suburban discounters, such as Zayre and Marshalls.

Japanese Airlines to Adjust Fares on International Routes

The Associated Press

TOKYO — Japan's Transport Ministry said Monday that it will allow airlines to raise air fares from the United States to Japan by 12 percent for economy class and 10 percent for first class, effective July 1, to adjust for the yen's sharp rise against the dollar.

Meanwhile, air fares from Japan to the United States will be reduced 10 percent this fall, a ministry official, Kagehiro Kajiwara, said. The ministry said it also will allow airlines to introduce family discount fares from Japan to the U.S. West Coast, Guam and Saipan, also starting this fall.

The discount would be between 35 and 45 percent, he said.

The fare change became necessary as the yen's sharp rise had widened the difference between the dollar-based air fares from the United States to Japan and the yen-based fare from Japan to the United States, the official said.

Mr. Kajiwara also said that round-trip air fares from Japan to Europe, including Paris, London, Rome and Frankfurt, will be reduced by 12 percent, but one-way fares from Europe to Japan will be raised by 3 percent, effective July 1.

He said the present economy-class air fare from Los Angeles to Tokyo is $799, while that from Tokyo to Los Angeles is $1,253.

He said the present round-trip air fare from Tokyo to Paris is $4,800 in economy class while that from Paris to Tokyo is $3,217.

The dollar has fallen to about 169 yen from 242 yen last September, when monetary authorities of five industrial nations, including Japan, agreed to lead the dollar lower to help reduce the large U.S. trade deficit.

EC Inflation Hits Record Low

Reuters

BRUSSELS — The annual inflation rate for the European Community fell to a record low of 3.5 percent in May, with many members of the 12-nation bloc reporting lower fuel bills because of the decline in oil prices, statistics published Monday showed.

JAL Reports Boeing to Alter 747 Design

Reuters

TOKYO — Boeing Co. has informed Japan Air Lines Co. that it plans design changes on its Boeing 747s, a JAL spokesman said Monday.

He said Boeing was expected to give a formal notice of the changes shortly to all users of the aircraft.

The spokesman said the changes would include reinforcement of the bulkhead, the barrier that separates the cabin and the tail section, and a new device to safeguard against oil leakages from the hydraulic oil pumping systems.

The Japanese Transport Ministry's investigation committee is still trying to determine the cause of the 1985 crash of a JAL jumbo jet that killed 520 people.

Old-Line U.S. Retailers Victims of Fatal Squeeze

By Isadore Barmash
New York Times Service

NEW YORK — Caught between aggressive discounters and such thriving higher-priced chains as Macy's and Bloomingdale's, old-line U.S. department stores catering to the broad lower-income market are facing an increasingly bleak future, especially in New York.

This week, the death knell was sounded for most of the 20 Gimbels department stores in the Eastern United States and six Ohrbach's stores, also in the East. In addition, six remaining Ohrbach's outlets on the West Coast were put on the block.

Manhattan was particularly hard hit: It was announced that Ohrbach's flagship store near Herald Square would close early next year and that the two Gimbels stores would soon hold liquidation sales. That followed the disclosure earlier this year that Alexander's would shut its large store at 59th Street and Lexington Avenue.

The announcements, analysts say, reflect a long-term shift in urban marketing trends that has left this type of department store vulnerable to challenges from both ends of the retail spectrum. The affected stores have catered to families with annual incomes of $10,000 to $25,000.

"The worst place to be today is in the middle," said Richard I. Hersh, president of the National Mass Retailing Institute, the discounters' trade association. "People either want a bargain or quality goods with service for which they will pay. Gimbels or Ohrbach's was unable to develop either perception."

"The combination of the general-merchandise discounters and the off-price apparel merchants has clobbered the urban department stores and they have largely failed to offset that competition," said Bernard B. Zients, former president of Gimbels New York.

"Gimbels and Ohrbach's tried to match the discounters, but unlike them, carried along the burden of typically high department store expenses," said Walter K. Levy, a marketing consultant. "That doomed them."

Those expenses include a better-paid sales staff, higher advertising costs and more expensive real estate.

In 1984, department store costs, excluding that of merchandise, came to 35.3 percent of sales, while discounters operated at a 27.6 percent ratio, making it possible for the discounters to sell at lower prices. The difference helps to explain how discounters were able to register sales that year of $157 a square foot ($1744.44 per square meter), compared with $130 at the department stores.

In addition, a barrage of sales promotions aimed at building store traffic for regular-priced goods has severely hurt the secondary stores, while the higher-priced department stores generally have been posting healthy earnings.

The 20 stores operated by Gimbels in the New York and Philadelphia areas are said to have lost $10 million in 1985 on relatively static sales of $450 million.

Management's role in the failure of some of the department stores is cited by some analysts along with the other factors.

"It's definitely been a management problem because management is supposed to cope with competition and demographic changes," said James Posner, a retailing consultant.

Nine of the 11 stores that were sold are to be converted by the purchaser, Allied Stores Corp., into Stern's stores, which Allied said are designed to appeal to higher-income customers. The two other stores that were sold will also remain as retail operations under other names.

Still unsold by BAT Industries PLC, the British company that bought Gimbels in 1974, are the two Manhattan Gimbels stores.

Official Sees More Banks Leaving Bahrain

Reuters

MANAMA, Bahrain — The governor of the Bahrain Monetary Agency has said that he expects more banks to leave the island this year, but that most cutbacks in operational costs already have been achieved.

Bahrain is the biggest banking center in the Middle East, with about 170 banks represented. But some of them have pulled out recently and many more have made major reductions in operations amid a regional economic downturn caused by falling oil revenues.

The agency's governor, Abdulla Saif, said Thursday he expected several more offshore-bank branches to close in 1986.

"There has, of course been some retrenchment and some streamlining of activities," he said, "but I sense that we have now seen the most of that."

He said four new applications from banks were now being processed and that the overall number of institutions in Bahrain would remain close to 170.

Asked if the banks that left would be "punished" by not being allowed to return later, Mr. Saif said: "In certain cases it is fully understandable that banks may wish to close their doors, and in those cases the authorities have no difficulty.

"Where, however, it is clear that a bank's motivation has been purely that of making profit," he said, "I think it is equally understandable that the authorities may wish to view them in a different light."

The Bank of Nova Scotia and Kredietbank of Belgium recently announced plans to close their Bahrain offshore-banking units, or OBUs.

Three offshore-banking units and three representative offices closed in 1985, and one offshore-banking unit and two representative offices closed in 1984. Mr. Saif said three of the four offshore-banking units had closed because of the collapse of the parent bank.

He said the consolidated assets of the offshore banks in Bahrain, including those held abroad by institutions based here, totaled about $64 billion at the end of March. He said he expected that figure to level off to about $60 billion.

Rivals Ready Plans Before OPEC Session

Reuters

BRIONI, Yugoslavia — As OPEC delegates gathered here Monday, two rival groups of ministers planned separate meetings to complete opposing proposals for the future of the troubled organization.

With oil prices still languishing, few of the delegates to the seminal conference of the Organization of Petroleum Exporting Countries believed that the two factions would succeed in finding common ground.

"A lot of people have got a lot of reasons for thinking different ways," one of the delegates said. He predicted a short and inconclusive conference.

Six "mainstream" countries, Venezuela, Saudi Arabia, Nigeria, Kuwait, Indonesia and the United Arab Emirates were expected to meet Monday to reaffirm OPEC's policy of defending its share of the world oil market. A majority of the organization's members approved the policy in December.

But Algeria, Iran and Libya blame the policy for the slump in oil prices to around $12 a barrel from nearly $30 last November, and are likely to agree to call for its abandonment.

In an apparent shift, Energy Minister Xavier Espinosa Teran of Ecuador said Monday upon arriving in Brioni: "Prices are more important than volume."

Mr. Espinosa formerly backed the "market share" policy. But noting that OPEC production had climbed to nearly 19 million barrels a day, almost three million barrels above the official ceiling, he said the aim of the policy had "already been achieved."

Of the remaining members, Iraq is more interested in increasing its own output and in its war with Iran than in wider OPEC objectives. Gabon's minister is due to arrive in Brioni Tuesday, and Qatar's minister is not expected to attend.

FUTURES AND OPTIONS

N.Y. Merc: Focus of World Oil Trade

By John C. Given
The Associated Press

NEW YORK — The frenzied din of the New York Mercantile Exchange has the atmosphere of a big-time prize fight, but it is the world price of oil at stake and not a boxing title.

Shouting, screaming, waving their arms, traders jostle one another in three circular pits to buy and sell contracts for crude oil, gasoline and heating oil.

In the three years since crude oil trading began at the exchange — and especially since prices began to collapse in November — the three rings have emerged as a major focal point of the world oil trade.

The New York Mercantile is just one of several futures exchanges sharing a trading floor the size of a sports arena. Trading in gold, silver, cotton, coffee, cocoa and sugar goes on around the room at the same time.

At the crude oil pit, traders deal in contracts calling for the future delivery of 1,000 42-gallon barrels of West Texas Intermediate, the major U.S. grade.

Prices can change many times a minute. Each time, the price flashes *on other boards and video screens* around the world.

In recent weeks, daily transactions have averaged about 32 million barrels of crude — or the equivalent of about three-fourths of the estimated 44.1 million barrels the non-Communist world is consuming each day. An additional 18 million barrels of refined products have been trading every day.

Each crude contract usually calls for delivery up to 18 months later at any pipeline or storage facility in Cushing, Oklahoma.

But in fact, less than 1 percent actually results in the physical transfer of "wet barrels," since the industry still relies mainly on the cash market for such transactions.

The New York Mercantile is used mainly for dealing in "paper barrels," both to hedge against price declines and for speculation.

"About 50 percent of all trading here is done by the industry — international major oil companies, trading companies, independent refiners, producers, users and municipalities," said Rosemary McFadden, the exchange's 37-year-old president. The balance is accounted for by speculators.

Perhaps the most celebrated example of successful hedging was conducted by T. Boone Pickens Jr., chairman of Mesa Petroleum Co.

Believing oil prices were about to plunge, Mr. Pickens sold contracts in November to deliver at a future date about 3 million barrels of crude at the prevailing price of $26.50 a barrel. That was the equivalent of almost all of Mesa's projected crude production for 1986.

The market collapsed. Several months later, Mr. Pickens bought contracts to buy 3 million barrels at an average $16.50 a barrel.

By offsetting the promise to deliver oil for $26.50 a barrel with the contract to buy the same amount for $16.50, Mr. Pickens realized a net gain of $10 a barrel, or a total of $30 million in profit for Mesa.

Had oil prices risen instead of declined and stayed higher when his promise to deliver came due, Mr. Pickens would have lost. But in the event of such a rise, he could have cut his loss by buying a contract for immediate delivery sometime between the date he first sold the contract to sell the oil and the date the initial contract came due.

The procedure enables a company to reduce the risks of wild swings in the market, much as the agriculture industry has for years.

For the oil industry, however, the idea of petroleum as a commodity — like hog bellies, gold, soybeans, wheat or corn — is something new.

Ever since the first oil well was drilled in Titusville, Pennsylvania, in 1859, petroleum has often been controlled by one power block or another.

John D. Rockefeller's Standard Oil Trust emerged in the first 50 years to dominate the young domestic industry until it was broken up by the Supreme Court in 1911.

The next two decades marked a period of boom and bust.

After prices hit 10 cents a barrel in 1933, the Texas Railroad Commission moved in.

Officially, the board's purpose was to regulate production to prevent the premature depletion of Texas's oil fields. But in matching output to the oil companies' estimates of demand, it set the world's price for oil.

Meanwhile, as international demand outstripped Texas's surplus supply, the major companies *extended their prospecting overseas.*

Within two decades, the major U.S. and British oil companies were setting the prices they paid other nations for their crude, then presiding over pricing decisions all the way to the gas pump.

The companies' grip began to weaken in the 1960s as oil-producing countries grew more insistent about controlling their own resources.

The Organization of Petroleum Exporting Countries, born in 1960, grew stronger. Producing nations, led by Libya in 1970, began to nationalize their oil industries.

In 1973, OPEC, which produced more than half the non-Communist world's oil, finally wrested control of the market from the major oil companies after the Arab oil embargo disrupted world supplies. The price of oil soared nearly 12.5 times, from $2.55 a barrel to a peak of $34.16 by the end of 1981.

But the high prices encouraged energy conservation, pushing consumption down. And major new oil fields were discovered outside OPEC, including the North Sea, Alaska's North Slope and Mexico.

The cartel tried to keep its grip on oil prices by limiting its own production. But the growing glut in world supplies overwhelmed those efforts.

Companies, which once had to sign contracts for OPEC oil at the cartel's prices, turned to the spot market to buy oil at cheaper prices.

Trying to keep their customers, some OPEC members ignored the cartel's price structure by offering discounts.

Then last year, Saudi Arabia, the world's biggest exporter, began selling oil at prices linked to the value of refined products.

Finally, OPEC announced in December that it was abandoning production quotas to seek a higher market share, and prices collapsed.

While OPEC was struggling to retain its control of the market in the early 1980s, the New York Mercantile was a minor commodities exchange for potatoes, two minor metals, gasoline and heating oil.

It added crude oil to its small portfolio on March 30, 1983, drawing little interest initially, with 323,153 crude-oil contracts changing hands by the end of the year. But interest has soared with the problems of the oil market. In the first five months of this year, trading had mushroomed to 2.9 million contracts.

Speculation is a definite part of the action. But, unlike a gambling casino, the exchange does not play the role of "the house."

It is a nonprofit operation, depending on revenue from fees on each transaction by traders who occupy the 816 "seats," or memberships, that are owned by companies, brokerage houses and individuals.

Before crude oil futures were introduced, a seat on the exchange cost $35,000. In late May, a seat changed hands for $125,000, Mary Ann Maitock, an exchange spokeswoman, said.

Some people in the oil business maintain that the exchange has *helped drive down the price of oil* by focusing attention on "paper" barrels instead of the prices paid for "wet" barrels on the cash, or spot, market.

In fact, there is no central clearinghouse for spot sales, while the posted prices that are paid by refiners for delivery of crude oil vary.

Often these prices differ from that of the contract for the closest-month futures contract available, sometimes by as much as $1 or more per barrel. But those differences have narrowed, as more companies have come to use the Mercantile Exchange as a reference point.

"It wasn't NYMEX that announced in mid-December that it was increasing production. It was Sheikh Yamani," Ms. McFadden said, referring to Saudi Arabia's oil minister, Ahmed Zaki Yamani.

"Does NYMEX lead the cash market or does the cash market lead NYMEX? My response is: There's a simultaneity of these transactions."

For the oil industry, the idea of petroleum as a commodity — like hog bellies, gold, soybeans or corn — is something new.

ADVERTISEMENT

INGERSOLL-RAND COMPANY
(CDRs)

The undersigned announces that as from June 30th, 1986 at Kas-Associatie N.V. Spuistraat 172, Amsterdam, div.cp.no. 52 of the CDRs Ingersoll-Rand Company each repr. 5 shares will be payable with Dfls. 6.88 net (div. per record-date 21.5.1986: gross $.65 p. sh) after deduction of 15% USA-tax = $.4875 = Dfls. 1.22 per CDR. Div. cpe belonging to non-residents of The Netherlands will be paid after deduction of an additional 15% USA-tax (= $.4875 = Dfls. 1.22) with Dfls. 5.68 net.

AMSTERDAM DEPOSITARY COMPANY N.V.
Amsterdam, 16th June 1986

COMPANY NOTES

Aral AG, West Germany's largest fuel retailer, said revenue in 1985 rose to 15.5 billion Deutsche marks ($5.9 billion), a 3.3-percent increase from 15 billion DM in 1984. Profit transferred to shareholders rose to 200 million DM from 20 million the year before.

ASEA AB of Sweden said it would acquire a Finnish electrical equipment maker, Oy Kymmene-Stromberg, for an undisclosed amount. ASEA said the takeover, subject to approval by the Swedish and Finnish governments, covered all Stromberg's operations except animal products.

Bank für Gemeinwirtschaft AG reported that net profit fell 75.8 percent to 35.23 million Deutsche marks ($15.66 million) in 1985 from 145.49 million in 1984 and group assets rose to 63.67 billion DM from 62.70 billion. The decline in profit was attributed to an increase in risk provisions.

Beghin-Say SA, the French sugar group, is raising its capital to 522.3 million francs ($72.5 million) from 1.8 million through the issue of more than two million nonvoting investment certificates with a nominal value of 65 francs. The certificates will be offered at 250 francs each and will have a payment date of Jan. 2, 1986.

CSR Ltd., an Australian diversified resources group, plans expansion using the proceeds of its proposed 80-million-share placement and a 1-for-10 options issue. The placement, at 3 dollars ($2.07) a share, and the issue of about 62.5 million options at 1 dollar each will raise about 300 million dollars initially and 460 million in all over five years.

Konishiroku Photo Industry Co. said it had acquired 7.36 million shares, or 89 percent, of Fotomat Corp.'s common stock outstanding, and it has extended its tender offer for until midnight, July 2.

Nynex Corp. said it would seek judicial and regulatory approval to participate in a trans-Atlantic fiber-optic-cable joint venture by acquiring all of Tel-Optik Ltd. Financial details were not released. Tel-Optik and Cable & Wireless PLC are in a joint venture to install and operate two submarine cables linking New York and London.

Philips NV signed an agreement with Taiwan Fluorescent Lamp Co. to establish a joint venture near Taipei for the production of energy-saving light bulbs. Philips will hold a 51-percent share of the new company. A company spokesman declined to specify the amount of the investment.

Thomson SA of France and Messerschmitt-Bölkow-Blohm GmbH of West Germany have won a $135-million contract to update the Hawk air-defense system. The two groups developed the Hawk-Pip 1 mobile system of ground-to-air missiles and radar surveillance for the United States and other North Atlantic Treaty Organization forces.

SOUTH AFRICA: *Companies Invest in Reforms*

(continued from first finance page)

the roots of the decay that they perceive in the rest of Africa.

Despite the displays of liberalism, neglect of black advancement is left its own legacy. Blacks make up the bulk of the nation's work force, but few companies have black directors on their boards, and many are only now contemplating "affirmative action programs" to advance blacks.

But advancement other than through merit is frowned upon by white contenders for promotion, and while South African companies may boast relatively liberal leaders, most would acknowledge that more conservative whites in management positions are less ready than their chairmen to embrace political change favoring blacks.

There are other paradoxes in the quest for reform. South Africa, said Mr. Parsons, "is one of the few countries in the world where the business community is to the left of the government." Yet it remains far to the right of those radical blacks seeking to overthrow apartheid.

Some leading businessmen, such as Tony Bloom, chairman of Premier Group, one of the country's biggest conglomerates, favor the legalization of the African National Congress and the release of its imprisoned leader, Nelson Mandela.

Yet, the congress's economic blueprint for a future South Africa calls for nationalization of mines, banks and "monopoly industry" and state control of other industries. The congress, moreover, has a *formal alliance with the outlawed* pro-Soviet South African Communist Party.

The belief among some business leaders seems to be that the longer negotiations that include the African National Congress are delayed, the more radical the congress's demands will become.

"Not all, but many, businessmen believe that the release of Nelson Mandela must be implemented in a broader political package which has the capacity to defuse a volatile political situation in South Africa," Mr. Parsons said.

By this argument, the congress cannot claim a monopoly on all of South Africa's blacks since there are other interest groups, such as Chief Gatsha Buthelezi's Zulu-based Inkatha movement, which is marked by its readiness for political compromise with the whites and by moderate economic policies that oppose disinvestment.

"There is a huge, inherent danger of a Marxist-communist takeover," said Raymond Ackerman, chairman of Pick'n'Pay, South Africa's most prosperous retail chain. "But the sooner we start negotiating, the greater chance we have of not letting the forces of the left take over."

Referring to executives who consider themselves enlightened and powerful enough to help mold the nation's future, Mr. Ackerman said: "We are not backing a Communist future for South Africa.

"We'll fight it tooth and nail," he said. "But we are so fragmented as a country that there is one hell of a chance of a unity of various splinter groups without being pushed into a new, economic order."

Mr. Ackerman portrays his company as one of the most liberalized, quoting statistics showing that 56 of his managers are black, and pointing to the share-ownership plan, which permits workers of several years standing to acquire shares in the family-owned company, and other benefits. The company does not have a black on its board of directors.

Yet, in a recent strike, Mr. Ackerman said, he discovered that profitable, relatively liberal companies have become a target for the black trade unions. Those companies are seen by union negotiators as unlikely to risk losing a liberal image through tough industrial relations practices.

To varying degrees, South African business organizations and individual entrepreneurs like to claim credit for changes in the political system that have increased black mobility. Yet, some business leaders say, it was only after the upheaval of 1976 that big business shook free of a complacency based of years of sustained economic growth in South Africa.

Moët·Hennessy

The shareholders general meeting held in Paris on June 6, 1986 under the presidency of M. Alain Chevalier approved Moët-Hennessy's 1985 financial statements and the dividend payment of FF 23 per share proposed by the Board. This, together with the tax credit (prepaid tax) of FF 11.50, amounts to a gross dividend of FF 34.50.

The dividend of FF 23, net of the February 13, 1986 interim dividend of FF 9, will be paid from July 1, 1986 to both existing shares at December 31, 1985 and new shares resulting from the February 13, 1986 1-for-5 stock split. This represents a 20% increase of the total dividend paid over 1984.

The shareholders general meeting re-elected M. Frederic Chandon de Briailles to the Board of Directors for a 6 year period.

At a meeting of the Board of Directors, M. Frederic Chandon de Briailles was re-elected vice-chairman.

The chairman reported to the Board on Group's operations for the first five months, which are in line with projections.

FOREIGN & COLONIAL RESERVE ASSET FUND
PRICES AT 19.6.86

A ‡ U.S. DOLLAR "CASH"	$10.79
B ‡ MULTICURRENCY "CASH"	$12.62
X ‡ STERLING "CASH"	£10.14
C ‡ DOLLAR BONDS	$12.51
D ‡ MULTICURRENCY BONDS	$14.98
E ‡ STERLING BONDS	£11.51
F ‡ DEUTSCHMARK BONDS	DM10.48
G ‡ YEN BONDS	YEN1140.00
H ‡ ECU BONDS	ECU10.68
L ‡ STERLING EQUITY	£10.00
M ‡ U.S. EQUITIES	$11.62

FOREIGN & COLONIAL MANAGEMENT (JERSEY) LIMITED
14 MULCASTER STREET, ST. HELIER, JERSEY, C.I.
TEL: (0534) 74741 TELEX: 419 7101-GMSL 4192303
FOR OTHER F & C FUNDS, SEE INTERNATIONAL FUNDS LIST

BUSINESS LISTS FROM YELLOW PAGES IN USA
Need a List or Mailing Labels for any Yellow Page Category in U.S.A.? Write for our free catalog
Jamestown Business Directories, Inc.
P.O. Box 27247 Dept. 479-9
Denver, Colorado 80227 USA
Phone (402) 331-7168 TELEX 910-701-0853 Answer

NEW
ROYAL TRUST
Hi-Yield
OFFSHORE CHEQUE ACCOUNT

A current account that earns 9·84%*

New 'Hi-Yield' from Royal Trust gives you flexibility, security and a high return.
Main features include:
- High rates of interest linked to the money markets
- Cheque books in Sterling, U.S. Dollars and multi-currency
- Interest paid gross
- Immediate access to funds
- Capital security
- Confidentiality
- No minimum withdrawals
- Statements quarterly with full narratives
- Interest calculated daily and credited quarterly
- No charge for the first five cheques issued each month
- The minimum amount required to open an account is only £2,000 or US$10,000.

Royal Trust Bank (Isle of Man) is incorporated with unlimited liability and is part of one of Canada's largest financial institutions with assets under administration exceeding Canadian $60 billion.
We were the first North American financial institution to be established in the Isle of Man.

*Compounded annual sterling rate at 20th June 1986

ROYAL TRUST

ROYAL TRUST
Hi-Yield
OFFSHORE CHEQUE ACCOUNT
To: Royal Trust Bank (Isle of Man), Royal Trust House, 60/62 Athol Street, Douglas, Isle of Man
Tel: (0624) 29521 Tlx: 628520
Please tick
☐ I/We wish to open a 'Hi-Yield' Offshore Cheque Account
☐ A cheque is enclosed for £ or US$
☐ Please send more details of your 'Hi-Yield' Offshore Cheque Account
Name
Address
IHT 24 6

ROYAL TRUST
Royal Trust Bank (Isle of Man), Royal Trust House, 60/62 Athol Street, Douglas, Isle of Man
Tel. (0624) 29521. Tlx. 628520

Monday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

United States

Corning Glass Works

2nd Quar.	1986	1985
Revenue	1.0	1.0
Oper Net	1.39	1.04
Per Share	1.39	1.04
1st Half	1986	1985
Revenue	1.9	1.9
Oper Net	88.7	69.4
Per Share	1.39	1.04

1985 net includes gain of $23 million for tax benefit of prior years' operating losses, 1986 net excludes gains of $4 million in quarter and $8.7 million in half for tax loss carryforwards.

Ex-Cell-O

2nd Quar.	1986	1985
Revenue	312.1	265.0
Net Inc.	13.3	14.2
Per Share	0.95	1.20
1st Half	1986	1985
Revenue	607.7	522.3
Net Inc.	31.4	29.5
Per Share	1.30	1.58

Paris House Foods

4th Quar.	1986	1985
Revenue	144.7	133.4
Net Inc.	0.194	(o)0.243
Per Share	0.01	0.01
Year	1986	1985
Revenue	544.2	1,110.
Net Inc.	0.07	0.49
Per Share	0.07	0.49

o: loss. Net excludes sales of $4.7 million in 314 million in quarter and $5.4 million in 364 million in year from foreign operating loss carryforwards. 1985 net loss includes gain of $2.2 million from extraordinary revenue of estimated anticipated tax credits.

Heinz (H.J.)

4th Quar.	1986	1985
Revenue	1,655.	1,666.
Net Inc.	75.1	70.1
Per Share	0.44	0.41
Year	1986	1985
Revenue	6,375.	6,055.
Net Inc.	256.1	229.1
Per Share	1.50	1.35

Int'l Multifoods

1st Quar.	1986	1985
Revenue	325.5	311.3
Net Inc.	3.2	2.7
Per Share	0.31	0.33

Nat'l Semiconductor

4th Quar.	1986	1985
Revenue	1,0	1,0
Oper Net	(o)19.4	6.0
Per Share	0.11	0.04
Year	1986	1985
Revenue	1,0	1,0
Oper Net	(o)19.4	6.0
Per Share	0.11	0.04

o: loss. Net excludes sales of $4.7 million in 314 million in quarter and $5.4 million in 364 million in year from foreign operating loss carryforwards. 1985 net loss excludes gain of $2.2 million from extraordinary revenue effect of accounting change on revenue.

France to Create Jobs With Shipping Savings

Reuters

PARIS — The French government will use the money it is saving by cuts in shipbuilding subsidies for retraining and job creation in shipbuilding areas, Industry Minister Alain Madelin said Monday.

"I do not want to make economies on shipbuilding. What we are no longer giving to ships, we will give to people, to the creation of solid and lasting jobs on the sites in question," he said.

France's conservative government announced last week that it would cut subsidies to the shipbuilding industry, which have totaled about 12.5 billion francs ($1.75 billion) since 1983.

One of the country's two main shipbuilding companies, Chantiers de Nord et de la Mediterranée, was reported on the verge of filing a bankruptcy petition after loss of the subsidies. Mr. Madelin said NORMED was in a situation of "camouflaged receivership."

U.S. Futures

Via The Associated Press

June 23

Grains

WHEAT (CBT)
5,000 bu minimum-dollars per bushel

CORN (CBT)
5,000 bu minimum-dollars per bushel

SOYBEANS (CBT)
5,000 bu minimum-dollars per bushel

SOYBEAN MEAL (CBT)
100 tons-dollars per ton

SOYBEAN OIL (CBT)
60,000 lbs.-dollars per 100 lbs.

Livestock

CATTLE (CME)
40,000 lbs.-cents per lb.

FEEDER CATTLE (CME)
42,000 lbs.-cents per lb.

HOGS (CME)
40,000 lbs.-cents per lb.

PORK BELLIES (CME)
40,000 lbs.-cents per lb.

Food

COFFEE (CSCE)(CE)
37,500 lbs.-cents per lb.

SUGAR-WORLD 11 (NYCSCE)
112,000 lbs.-cents per lb.

COCOA (NYCSCE)
10 metric tons-$ per ton

ORANGE JUICE (NYCSE)
15,000 lbs.-cents per lb.

Metals

COPPER (COMEX)
25,000 lbs.-cents per lb.

ALUMINUM (COMEX)
40,000 lbs.-cents per lb.

SILVER (COMEX)
5,000 troy oz.-cents per troy oz.

PLATINUM (NYME)
50 troy oz.-dollars per troy oz.

PALLADIUM (NYME)
100 troy oz.-dollars per troy oz.

GOLD (COMEX)
100 troy oz.-dollars per troy oz.

Financial

US T. BILLS (IMM)
$1 million-pts of 100 pct.

US TR. TREASURY (CBT)
$100,000-pts 32nds of 100 pct.

US TREASURY BONDS (CBT)
$100,000-pts 32nds of 100 pct.

MUNICIPAL BONDS (CBT)
$1,000 times Bond Buyer Index

EURO DEPOSIT (IMM)
$1 million-pts of 100 pct.

EURODOLLARS (IMM)
$1 million-pts of 100 pct.

SUGAR-WORLD 11 (NYCSCE)

EUROPEAN CURRENCY (IMM)

BRITISH POUND (IMM)

CANADIAN DOLLAR (IMM)

FRENCH FRANC (IMM)

JAPANESE YEN (IMM)

GERMAN MARK (IMM)

SWISS FRANC (IMM)

Industrials

LUMBER (CME)

COTTON 2 (NYCE)

HEATING OIL (NYME)

CRUDE OIL (NYME)

Stock Indexes

S P COMP. INDEX (CME)

VALUE LINE (KCBT)

NYSE COMP. INDEX (NYFE)

MAI MAXI INDEX (CBT)

Commodity Indexes

	Close
Moody's	970.70
Reuters	N.A.
D.J. Futures	114.00
Com. Research Bureau	204.11

Moody's : base 100 : Dec. 31, 1931.
a - preliminary; f - final.
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT: Chicago Board of Trade
CME: Chicago Mercantile Exchange
IMM: International Monetary Market of Chicago Mercantile Exchange
NYCSCE: New York Cocoa, Sugar, Coffee Exchange
NYCE: New York Cotton Exchange
NYFE: New York Futures Exchange
NYMEX: New York Mercantile Exchange
NYME: New York Mercantile Exchange
NYSE: New York Stock Exchange

Currency Options

June 23

PHILADELPHIA EXCHANGE

British Pound-cents per unit.

Canadian Dollar-cents per unit.

German Mark-cents per unit.

Japanese Yen-hundredths of a cent per unit.

Swiss Franc-cents per unit.

Australian Dollar-cents per unit.

Mexican Peso-thousands of a cent per unit.

Total call vol. 19,119 Call open int. 185,293
Total put vol. 14,377 Put open int. 186,397

The right to buy (call) or sell (put) the underlying currency at a specified price (strike price) during a specified period of time. Last is premium (purchase price).

Source: AP.

NYSE Highs-Lows

NEW HIGHS 69

NEW LOWS 30

U.S. and South Korea Open Talks on Trade

United Press International

SEOUL — The United States and South Korea on Monday opened two days of economic consultative talks on pending issues.

High on the agenda of the Fifth Economic Consultative Meeting were a long-standing U.S. demand for wider access to the Korean market for American goods and the application of Washington's Generalized System of Preference benefits to Korean products.

The United States has been pressuring South Korea to open its insurance market immediately, to import U.S. cigarettes and computers and buy more U.S. agricultural goods such as beef.

1887//1986 99 YEARS

London Commodities

June 23

SUGAR
Sterling per metric ton

COCOA
Sterling per metric ton

COFFEE
Sterling per metric ton

GASOIL
$ dollars per metric ton

S&P 100 Index Options

June 23

Total call volume 148,204
Total put volume 143,000
Total call open int. 1,000,000
Total put open int. 1,000,000
Index: High 1,000.00 Low 994.00 Close 1,000.00 +3.00
Source: CBOE.

Paris Commodities

June 23

SUGAR
French francs per metric ton

COCOA
French francs per 100 kg

COFFEE
French francs per 100 kg

Est. vol.: 0 lots of 5 tons. Prev. actual sales: 42 lots. Open interest: 194.
Source: Bourse du Commerce.

Dividends

June 23

Company	Per Amt	Per Rec
STOCK SPLIT		
First Security Kentucky 3-for-2		
USUAL		
Amdrill Inc	0	8-5
CTS Corp	0	7-11
Bishopgate Prop	0	7-22
Home Corp Inc	0	7-11
Mary Dean Strs	0	9-15
Wheeling & L.S. Erie	0.4	8-1

a-annual; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

DM Futures Options

June 23

W. German Mark-125,000 marks, cents per mark

Estimated total vol. 6,271
Calls: Vol. 1,347 Open int. 35,434
Puts: Vol. 2,747 Open int. 30,401
Source: CME.

Asian Commodities

June 23

SINGAPORE GOLD FUTURES
U.S.$ per ounce

KUALA LUMPUR RUBBER
Malaysian cents per kilo

SINGAPORE RUBBER
Singapore cents per kilo

KUALA LUMPUR PALM OIL
Malaysian ringgits per 25 kilos

Cash Prices

June 23

Commodity and Unit Mon.
Coffee 4 Santos, lb. 1.30
Potatoes,Idaho 50 lb. vol 4.00
Steel billets (Pittsburgh) ton 123.00
Copper, electrolytic, lb. 0.65
Lead scrap lb 1 New York 0.30
Aluminum, lb. 0.61
Tin (Straits) lb. 3.1600
Zinc, lb. 0.4500
Palladium, oz. 131
Platinum, oz. 1.50
1: New York spot price.
Source: AP.

London Metal

	Aluminum	Copper	Lead	Nickel	Silver	Tin	Zinc
Source: Reuters.							

U.S. Treasuries

June 23

	Bid	Offer	Yield
3-month bill	4.12	4.10	4.30
6-month bill	4.18	4.16	4.46
1-year bill	4.21	4.19	4.49
30-yr. bond	97 10/32	97 20/32	7.45

Source: Salomon Brothers.

Merrill Lynch Treasury Index: 131.18
Change for the day: +0.46
Average Yield: 7.42 %
Source: Merrill Lynch.

Certain offerings of securities, financial services or interests in real estate published in this newspaper are not authorized in certain jurisdictions in which the International Herald Tribune is distributed, including the United States of America, and do not constitute offerings of securities, services or interests in those jurisdictions. The International Herald Tribune assumes no responsibility whatsoever for any advertisements for offerings of any kind.

Australia's Growth R

Expected to Fall Sha

Reuters

MELBOURNE — Austr
rate of inflation should ing
but output and employment
likely to be weaker in t
1986/87, the National Insti
Economic and Industry Re
said Monday.

It said it expects the infl
adjusted rate of economic
to fall to 1.9 percent from a
percent in 1985/86 as in
cases to a 6.9-percent ann
from 8.3 percent. Most of
nomic slowdown will com
second half of calendar 198
some pickup in early 1987.

Monday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		A								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		B								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		C								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		D								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		E								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		F								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		G								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		H								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		I								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		J								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		K								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		L								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		M								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		N								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		O								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		P								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		Q								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		R								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		S								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		T								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		U								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		V								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		W								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		Y								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Quot. Chge
		Z								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMEX Highs-Lows

NEW HIGHS 29

ATT Pd, BDM Ins s, Bancorp, ICH Cp s, LaBarge, SAD Ind, Stanley Works, Woodstream, Abex Corp, BioCis s, Broad Tech, Intermark s, Jefferson, Saundrs B, Technitrol, AlsoCo wt, CitiesHlth, Ind Mtg s, Jim Walt, Mar Tn Inc w, Sheller-G A, Technodyne, AmTrTrEq pr, Cortlandtwn, Hemisphere s, KeyPharm, Kinder Cr, Nd Shares, Nd Shares wt, ValleyRac

NEW LOWS 11

Cubic, Media pd, RadioMdy n, ThermoElec A, NaCstrGrd s, SoundFd n, AlliFinse Ent, CBOptel, DwarfRity, MaryEsay, PrdCare

Stride Rite Corp. Turns Down $277-Million Bid From Reebok

United Press International

AVON, Massachusetts — Reebok International Ltd. said Monday that it has made an offer to acquire Stride Rite Corp., but the company rejected the offer and Reebok has dropped the matter for now.

Reebok, after several weeks of discussion, made an offer Friday of $37 per share in cash, stock or a combination thereof for the rival footwear maker, it said. Based on Stride Rite's 7.5 million shares outstanding, the value of the takeover would have been $277.5 million.

RUSSELL BAKER
IN THE NYT EVERY WEDNESDAY AND FRIDAY.
USBANEWYT AT ISSATISBICAL BEST

Floating-Rate Notes

June 23

Dollars

Issuer/Mat.	Coupon Next	Bid	Asked
[illegible]	[illegible]	[illegible]	[illegible]

Deutsche Marks

Issuer/Mat.	Coupon Next	Bid	Asked
[illegible]	[illegible]	[illegible]	[illegible]

E.C.U.

Issuer/Mat.	Coupon Next	Bid	Asked
[illegible]	[illegible]	[illegible]	[illegible]

Pounds Sterling

Issuer/Mat.	Coupon Next	Bid	Asked
[illegible]	[illegible]	[illegible]	[illegible]

Japanese Yen

Issuer/Mat.	Coupon Next	Bid	Asked
[illegible]	[illegible]	[illegible]	[illegible]

Source : Credit Suisse-First Boston Ltd., London

INTERMARKET FUND I

Société Anonyme

Registered Office: Luxembourg, 11, Bld. G.D. Charlotte.

R.C. Luxembourg B-8622

Shareholders are hereby convened to the

ANNUAL GENERAL MEETING

of shareholders of INTERMARKET FUND I S.A., to be held at the hotel of Banque Internationale à Luxembourg S.A., 2, Boulevard Royal, Luxembourg, on July 11th, 1986 at 10:00 a.m. with the following.

AGENDA

1. Hearing and accepting the report of the Board of Directors and of the statutory auditor;
2. Approving the balance-sheet and profit and loss account as of March 31, 1986 and appropriating the results;
3. Discharging the directors and the auditor for the period ended March 31, 1986;
4. Statutory appointments;
5. Miscellaneous.

The shareholders are advised that no quorum is required for the statutory General Meeting and that decisions will be taken at the majority of the shares present or represented at the meeting with the restriction that no shareholder neither by himself nor by proxy can vote for a number of shares in excess of one fifth of the outstanding shares or two-fifths of the shares present or represented at the meeting.

In order to take part at the meeting of July 11, 1986 the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the fund.

THE BOARD OF DIRECTORS

The Global Newspaper.

ADVERTISEMENT

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 23 June 1986

Not equal value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations provided: (d) - daily; (w) - weekly; (bi) - bi-monthly; (r) - regularly; (i) - irregularly.

AL MAL MANAGEMENT		
(w) Al-Mal Trust	$	234.48
BANK JULIUS BAER & CO. LTD.		
(d) Cashbox	SF	945.40
(d) Cashbox America	$	1,472.00
(d) Cashbox Europe	SF	1,094.00
(d) Cashbox Germany	DM	1,000.00
(d) Cashbox Japan	SF	1,250.00
(d) Cashbox Pacific	$	1,000.00
BAU MULTICURRENCY		
(w) Multicurrency	$	1,079.38
(w) Multicurrency Bd.	ECU	1,000.00
(w) Multicurrency Cap.	YEN	194,502.00
BNP INVESTMENT PARTNERS		
(w) Interfund Fund	$	183.01
(w) Interfund Fund Gbl.	$	10.00
(w) Intercurrency DM	DM	30.81
(w) Intercurrency Pacific Other	$	13.92
(w) Intercurrency N. Amer. Other	$	10.00
BANQUE INDOSUEZ		
(d) Adlan Growth Fund	$	14.37
(d) Diversified	SF	56.30
(d) Gold Mine Inv.	$	10.00
(d) Indosuez Bond	$	14.68
(d) Indosuez Diversified	$	14.68
(d) Indosuez Multibonds A	$	125.75
(d) Indosuez Multibonds B	$	1,000.00
(d) Indosuez USD (IAA.A)	$	1,078.00
BRITISH TRADED FUNDS (Jersey) Ltd.		
(w) Brit.Dollar Income	$	8.992
(w) Brit. Int'l Income	£	0.000
(w) Brit. Int'l Manag.Part	£	1.000
(w) Brit. Am. Inc. & Pd Lim.	$	1.000
(w) Brit. Am. Inc.	$	1.000
(w) Brit. Japan Gtr. Part. Pd.	$	5.234
(w) Brit. Japan Gtr. Part.	$	5.234
(w) Brit. Chinese Gtrs.	$	1.721
(w) Brit. Int'l Gtr. Part.	£	1.000
(w) Brit. World Trades Fund	$	0.979
CANARGO INTERNATIONAL FUNDS (Jersey) Ltd.		
(d) S Money Market	DM	34.37
(d) S Money Market Pd	DM	1,000.00
(d) Canargo Fund	$	10.00
(d) Bond Fund	DM	27.33
(d) Gold Bond	$	10.00
(d) Gold Bond	$	9.93
(d) Canargo Equity & Equity	$	10.00
CAPITAL INTERNATIONAL		
(w) Capital Intl S.A.	$	35.44
(w) Capital Intl S.A.	$	29.94
CITICORP INVESTMENT BANK (LUX)		
POB 1313 Luxembourg Tel. 477.362		
(d) Citicorp Bd Selection	ECU	1,087.57
(d) Citicorp Bond Selection	$	1,023.27
CREDIT SUISSE (ISSUE PRICES)		
(w) Bond Valor Int.	$	103.00
(w)(u) Bond Valor Swf	SF	107.00
(w) Bond Valor US-DOLLAR	$	134.00
(w) Bond Valor US-DOLLAR	$	134.20
(w) Bond Valor Yen	Yen	20,748.00
(w) Bond Valor Yen	Yen	20,748.00
(w) Convert Valor Int.	$	151.00
(w) Convert Valor US-DOLLR	$	151.70
(w) Convert Valor Swf	SF	450.00
(w) Fonds-Bonds	SF	76.20
(w) Fonsipar Fonds	SF	1,000.00
(w) Gold Valor	$	95.00
(w) Money Market Fund	$	10.00
(w) Money Market Fund	DM	1,000.00
(w) Money Market Fd Lim.	$	10.00
(w) Money Market Fd Yen	Yen	1,000.00
(w) Sfr-Valor	SF	1,000.00
(w)(u) Valor Swf	SF	107.00
(w) Europa-Valor	SF	194.50
(w) Pacific-Valor	SF	194.50
DREXEL BURNHAM LAMBERT INC		
Drexel Burnham Lambert Int. 79 London Wall		
LONDON EC2 5TS 606/01		
(w) Windsor Fund	$	148.81
(w) Windsor Diversified	$	23.97
(w) Windsor Financial Ltd.	$	100.00
(w) Windsor Frontier	$	154.23
(w) Windsor Equity Fund	$	14.14
(w) Windsor Recovery Ltd.	$	17.29
(w) Windsor Securities	$	111.27
(w) Windsor Bond	$	14.14
DY INVESTMENT PFM		
(d) Convertfund	DM	27.34
(d) (i) Intl Rentenfond	DM	84.51
ERC TRUST (CI) (JERSEY) LTD.		
13 Seal St., St. Helier (0534-36301)		
TRADED CURRENCY FUND.		
(d) (i)(c) Bid ..... 11.60 Offer 813.170		
(d) (i)(c) Bid ..... 11.60 Offer 813.170		
(w) Pacific Pearly Intl. EQ. Fd. 2-488		
INTERNATIONAL INCOME FUND		
(d) Short Term 'A' (Dollar)	$	1,024
(d) Short Term 'A' (Dollar)	$	1,066
(d) Short Term 'B' (Accum)	$	1,416
(d) Short Term 'B' (Distr)	$	1,000
(d) Sterling Income	£	1,000
ERC MONY LTD. INT'L MGMT. (CI) LTD.		
(w) Int'l Pearly Intl. EQ. Fd. 2-488		
(w) FSC Atlantic	$	17.25
(w) FSC Eurasian	$	34.29
(w) FSC Europe	$	14.37
(w) FSC Japan	$	10.00
FIDELITY POB 870, Hamilton Bermuda		
(d) Fid. Amer. Valu Part	$	44.40
(d) Fid. Amer. Valu Com.Pref.	$	10.10
(d) Fid. Amer. Valu Part	$	10.10
(d) Fid. Amer. Valu Com Pref.	$	10.10
(d) Fidelity Australia Fund	$	10.00
(d) Fidelity Australia Pfd	$	10.00
(d) Fidelity Dir. Sych. Fund	$	13.33
(d) Fidelity Dir. Sych. Pfd	$	13.33
(d) Fidelity Orient Fund	$	10.00
(d) Fidelity Orient Pfd	$	10.00
(d) Fidelity Pacific Fund	$	20.07
(d) Fidelity Pacific Pfd	$	20.07
(d) Fidelity World Fund	$	29.50
FORBES LAMB & CO. LTD. CAYMAN		
London Agent 01-628-3013		
(d) Forbes Inc. Fund	$	7.29
(d) Forbes High Inc. Gth Fd	$	10.00
GAM		
(w) Gold Appreciation	$	4.59
(w) Gold Appreciation	$	4.59
(w) Gam Arbitrage	$	10.00
(w) Gam Arbitrage	$	10.00
(w) Gam Bond Fund	$	14.68
(w) Gam Bond Fund	$	14.68
(w) Gam Int. Equity	$	10.00
(w) Gam Int. Equity	$	10.00
(w) Gam Emerging Mkts	$	10.00
(w) Gam Emerging Mkts	$	10.00
(w) Gam Emmtees Int. Inc.	$	10.00
(w) Gam Emmtees Int.	$	10.00
(w) Gam Europe Inc.	$	10.00
(w) Gam France Inc.	Fr	10.00
(w) Gam France Inc.	Fr	10.00
(w) Gam Hong Kong Inc.	$	10.00
(w) Gam Hong Kong Inc.	$	10.00
(w) Gam Japan Inc.	Y	10.00
(w) Gam Japan Inc.	Y	10.00
(w) Gam N.Am. Unit Trust Accum.	$	121.45
(w) Gam N.Am. Unit Trust Accum.	$	121.45
(w) Gam Pacific Inc.	$	10.00
(w) Gam Pacific Inc.	$	10.00
(w) Gam Pacific Inc.	$	10.00

Money Funds Launched in Hong Kong Dollars

By Patrick L. Smith
International Herald Tribune

HONG KONG — Foreign banks here are launching the first money-market funds ever denominated in Hong Kong dollars, a move viewed by bankers and analysts as a significant advance for the British colony's nascent capital market.

The first such fund was opened by Schroders Asia Ltd., a subsidiary of the London merchant bank. June 18, just days after Hong Kong's commissioner for securities and commodities trading had authorized the practice.

At least one other application, submitted by Manufacturers Hanover Asia Ltd., a unit of the New York bank, is pending. But bankers say numerous other institutions, including New York's Citibank and Chase Manhattan and London's Standard Chartered, are likely to develop local money-market funds in coming weeks.

Jardine Fleming & Co. Ltd., a joint-venture merchant bank based in London, said June 19 that it would convert an existing unit trust denominated in U.S. dollars into a locally denominated fund.

"A lot of banks are thinking about it," said Vincent Cheng, the chief economist at Hongkong & Shanghai Banking Corp. "We all want to offer competitive products."

By investing in locally issued certificates of deposit, commercial paper and other securities, the new funds are expected to spur the development of an active secondary market in capital-market issues in Hong Kong.

Financial analysts say this would mark a major step in the maturation of the Hong Kong market and help the colony retain its role as a major financial center.

The funds are also likely to reduce the influence of an agreement by which the Hong Kong Association of Banks controls the rates allowable on savings deposits. Critics have long asserted that the association effectively operates as an interest-rate cartel.

Under current regulations, banks can offer competitive interest rates only on local deposits of 500,000 Hong Kong dollars ($64,000) or more. Deposits of 100,000 Hong Kong dollars can earn market interest provided that they have a maturity of at least three months.

For smaller depositors, the banking association sets the rate that banks are permitted to offer, currently 2¾ percent.

As a result, more than half of the colony's total deposits are held in foreign-currency accounts on which there are no interest-rate controls.

In effect, the new funds will enable banks to compete openly for deposits of 50,000 Hong Kong dollars or more, which is the minimum set by the securities commission. The Schroders fund estimates an annual yield of "5 percent plus" in its prospectus.

More significantly, the funds are expected to increase liquidity in the market for debt instruments in Hong Kong, which has burgeoned during the past year. By purchasing such securities, banks that operate local money funds will effectively open this market to smaller investors for the first time.

About 15 billion Hong Kong dollars' worth of fixed- and floating-rate securities has been issued by banks and corporations in Hong Kong during the past year. That compares with 3.3 billion Hong Kong dollars in 1984, when the market first began to develop.

In addition, almost 16 billion Hong Kong dollars' worth of commercial-paper facilities has been arranged since 1984, the bulk of that sum within the past 18 months.

But secondary-market trading in these instruments has remained underdeveloped. Nearly half of the fixed-rate issues in the market are still held by banks and other financial institutions, according to an estimate by Manufacturers Hanover Asia, the leading market maker in Hong Kong.

"If you want to have an expanding capital market, you must allow a retail investor base to be developed," said Patrick K. Thomas, managing director of Manufacturers Hanover Asia. "That is why the green light from the securities commission is so welcome."

As demand for traditional syndicated loans has declined, bankers have witnessed the development of a market for "securitized debt" in Hong Kong as one alternative for the 106 foreign banks with branches in the colony.

Concern has mounted recently over Hong Kong's future as a financial center, chiefly because of Japan's efforts to liberalize its financial regulations. A number of banks in Hong Kong already have shifted foreign-exchange dealing and other operations to their Tokyo offices.

It is generally recognized that Hong Kong is too small — and has too few blue-chip corporations issuing debt — to rival Tokyo as a securities market. But bankers stress Hong Kong's potential as a separate market, particularly if Chinese enterprises become active participants.

"This market here will never compete with Tokyo," Mr. Thomas said, "but developing it is one key way to keep international banks interested in Hong Kong."

The securities commission's decision to allow local-dollar money funds came amid strenuous opposition from both the banking association, which is a private-sector group, and from the government Banking Commission.

Both argued that the funds would expose small depositors to increased risk, in part because the banks operating them cannot guarantee their yields.

In its ruling, the commission stipulated that a minimum of 20 percent of a fund's assets must be held in readily available bank deposits. It also issued advertising guidelines and will require banks to report the amount of funds under management on a monthly basis.

It is still unclear whether local banks will compete with the foreign institutions already preparing to launch new funds. Because interest rates are controlled, local banks have dominated in retail banking by developing large branch networks.

Most analysts expect local banks to offer such funds only if they conclude that their deposit bases are threatened.

"We're looking into it," said Peter Wrangham, general manager of Hong Kong & Shanghai Bank. "But we won't do anything in the near future."

Mr. Wrangham, who is also chairman of the banking association, dismissed the new funds as "flavor of the month, with a health warning attached."

Tenneco Selling Insurance Firms For $1.5 Billion

United Press International

HOUSTON — Tenneco Inc. announced plans Monday to sell its insurance businesses to I.C.H. Corp. of Louisville, Kentucky, for $1.5 billion.

The main insurance businesses to be acquired are Philadelphia life Insurance Co., Southwestern Life Insurance Co., Philadelphia American Life Insurance Co., Southwestern General Life Insurance Co. and Security Life Insurance Company of Georgia.

Tenneco is to use most of the proceeds to cut debt.

Tenneco is a diversified company with interests in shipbuilding, farm and construction equipment, auto parts, oil, natural gas and chemicals. I.C.H. has $800 million in accident and health insurance and $33 billion in life insurance in force.

HAWLEY: *Services Group Looks to U.S. for Growth*

(Continued from first finance page)

shareholders, and within two days Hawley's stake in Pritchard had jumped from 1 percent to 29 percent.

After Mr. Ashcroft raised the ante slightly, Pritchard agreed to the merger.

Pritchard's U.S. operations are mostly in the same East Coast and Southeast regions where Hawley is strong. Thus, according to analysts, the benefits of combining the two companies would extend well beyond the usual post-merger paring of staffs.

In the cleaning business, operations are run by regional managers and supervisors overseeing several jobs. In regions of overlap, analysts say the combined Hawley-Pritchard should be able to select the most productive people and more-profitable jobs, reducing costs and lifting earnings.

"The industrial logic to the Hawley-Pritchard merger is very sound," said Robert Haville, an analyst at James Capel & Co., a London brokerage.

For his part, Mr. Ashcroft is intimately familiar with Pritchard and its operations. He once worked for Pritchard and, in 1980, he briefly built up a 21-percent stake in the company, and then sold it for a profit of $1.5 million.

Despite certain similarities, Hawley's pretax earnings last year were more than three times the $13 million of Pritchard, even though Pritchard's revenues were larger at $536 million.

At Hawley, Mr. Ashcroft and a group of young executives direct the operations. By the standards of the industry, they are highly paid, with at least 40 percent of their compensation being incentive bonuses linked to the profit performance of their units.

After acquiring a cleaning services company, Hawley usually installs computer programs to monitor each labor hour spent in a building. Unprofitable jobs are often abandoned.

For example, Hawley acquired Oxford Services, a leading office-cleaning operation in the Southeastern United States, in 1983. Since then, Oxford's profits have grown 92 percent a year, while revenues have increased an average 27 percent. Part of the gain came because Hawley's management found out that all of Oxford's profits were coming from 60 percent of its customers, so it dropped the other jobs.

"Hawley wants profit, not volume," said John E. Danneberg, a 40-year-old company director who heads Hawley's U.S. operations from Roseland, New Jersey.

Surprisingly, for an executive whose company has consistently posted strong profit gains, Mr. Ashcroft's reputation is decidedly mixed in the City, London's financial district.

In addition, the service industries are simply not as well regarded by investors in Britain as they are in America.

CURRENCY MARKETS

Dollar Skids in Violent U.S. Sell-O

Compiled By Our Staff From Dispatches

NEW YORK — The dollar ended sharply lower in New York Monday as U.S. markets extended a violent late-afternoon sell-off that began in Europe.

Dealers said there was no news to account for the run on the currency, but noted that it may have been caused by unfounded rumors that central banks were intervening to bring it down.

In New York, the dollar plunged nearly 4 pfennigs, or 2½ percent, and more than 2 yen from its Friday close in New York, to end at 2.2338 Deutsche marks and 165.95.

It also fell to 7.0905 French francs from 7.2135 and to 1.8280 Swiss francs from 1.8555, while the British pound jumped more than 2 cents, to $1.5175 from 1.4940.

Dealers said the intense sell-off caught markets unaware. In earlier trading in Europe, they noted, the dollar seemed to be extending its Friday rally, rising above 2.27 DM and 169 yen. Although profit-taking erased its gains, the dollar closed fractionally higher there.

Then, in late-afternoon U.S. trading, dealers said that one big sell order triggered automatic sell programs that suddenly pushed the dollar down to 2.21 marks and 165 yen before it recovered slightly at the close.

"The rumors of the central bank intervention surfaced in Chicago on the International Monetary Market and the dollar plunged in a matter of minutes," a New York bank dealer said.

Daniel Holland, vice president at Discount Corp. of New York, said, "The dollar was doing well and people were looking to buy. But once the selling started, the automatic sell orders gave it momentum."

Dealers said the intensity of the sell-off demonstrated the underlying bearish sentiment toward the dollar and the market's skittishness.

"The markets just [illegible] the weekend technical [illegible] pushed the dollar to [illegible] high levels," said one Lond[illegible]er. "They were wary of co[illegible] it."

But dealers said they [illegible]pected the dollar's gradual [illegible] resume, with charts poin[illegible] recovery to as high as 2.[illegible] currency also will d[illegible] from official Japanese [illegible] ruling out an early cut in [illegible]try's interest rates, they sa[illegible]

In other markets, meanw[illegible] dollar was fixed at midafter[illegible] Frankfurt at 2.2689 DM, [illegible] 2.2425 at Friday's fixing. [illegible] 7.2405 French francs in P[illegible] from 7.1600. It closed in Z[illegible] 1.8595 Swiss francs, up fro[illegible] there on Friday.

In Johannesburg, the [illegible]cial rand ended weaker in [illegible]ing. It closed at 39 U.S. cent[illegible] from 39.25 at the open[illegible] 40.50 on Friday. Dealers a[illegible]serve Bank intervention he[illegible] currency recover from a [illegible] 38.75 cents. *(Reuters, U[illegible])*

London Dollar Rates

Closing	Mon.	Fri.
Deutsche mark	2.2338	2.2442
Pound sterling	1.4950	1.5066
Japanese yen	165.95	167.65
Swiss franc	1.8275	1.8455
French franc	7.0905	7.1535

Source: Reuters

U.K. Output Gain Expected To Hit 3% Rate by Late '87

Reuters

LONDON — A stronger world economy and tax cuts will raise British output growth to more than 3 percent on an annual basis by late next year, but unemployment will remain above 3 million until 1990, the London Business School said Monday.

The economy is still going through a flat patch and output growth for 1986 is likely to be only around 2 percent, it said in its latest forecast.

Lower oil prices and falling interest rates will help to keep inflation low, but limited success in restraining earnings growth will mean that costs have to be controlled by renewed productivity gains, the LBS said. Consumer inflation in May was at a 2.8-percent annual rate.

As a consequence, unemployment will not be alleviated by the improvement in growth, it said. The current British unemployment rate is 13.3 percent.

Assuming a 2-percent growth rate, tax cuts of more than £2 billion ($3 billion) will be possible, the LBS said.

The forecast assumes a cut in the basic rate of income tax to 27 percent from the present 29 percent in next year's budget.

Consumer spending is currently the strongest element of demand, it said, forecasting that this would rise 3 percent this year and 4 percent annually in 1977 and 1978.

The rise will be based on continued earnings increases above the rate of inflation and the increase in disposable income provided by tax cuts, the LBS said.

The key to the forecast recovery, however, will be export growth, which is also the reason for the present slowdown.

EUROMARKE

2 Floaters Dra[illegible] Most Attention On Quiet Day

Reuters

LONDON — The eu[illegible] market generally had a qu[illegible] to the week Monday.

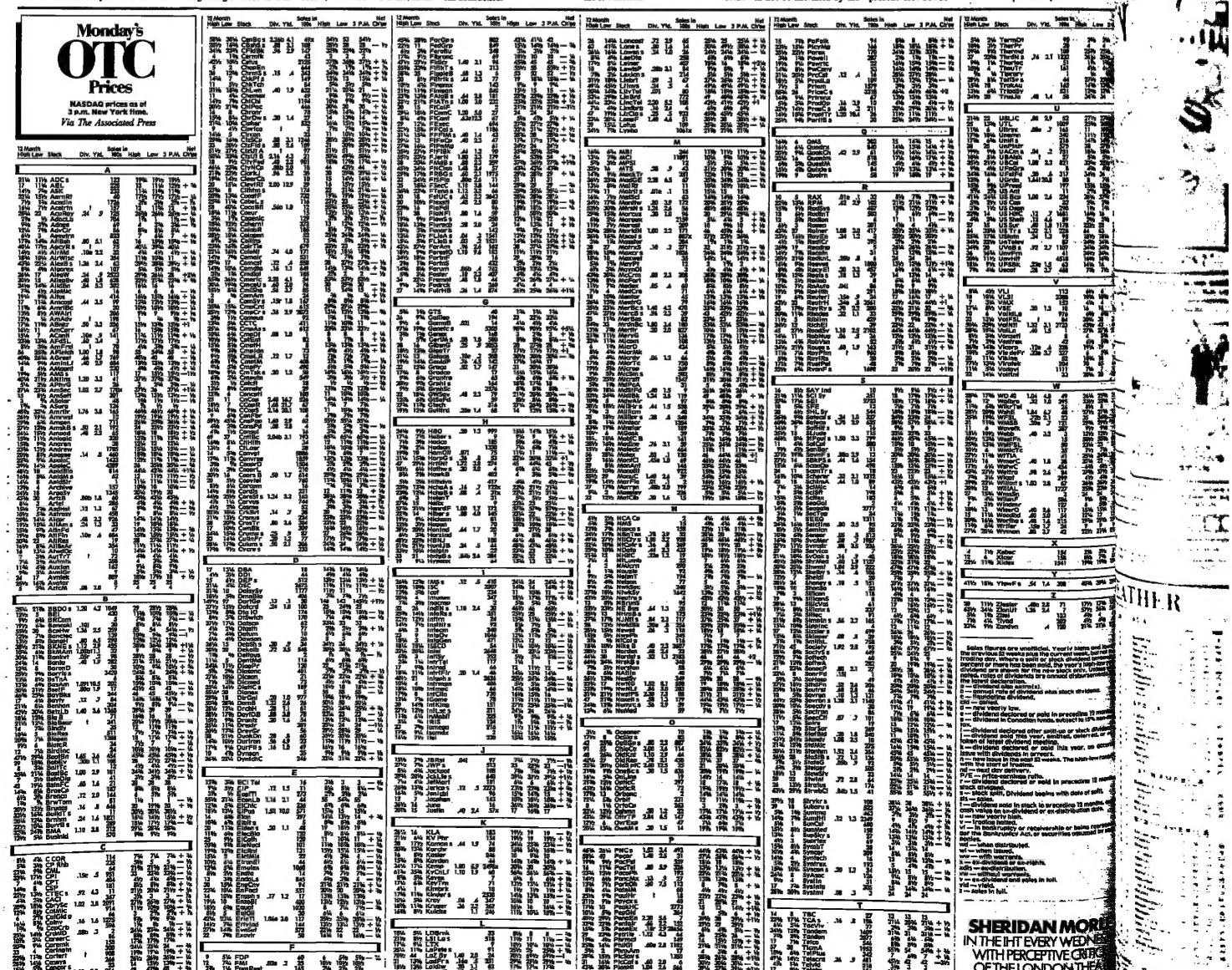
The Bank of Montreal i[illegible] 12-year floater that was [illegible] raised from the initial $200 [illegible] to $250 million, while Bano[illegible] has launched a $200-mil[illegible] petual-note issue that had [illegible] $200 million on tap. Late[illegible] day, a $100-million tranche [illegible] tap was activated.

The Bank of Montreal is[illegible] five basis points over the sh[illegible] London interbank offered [illegible] Libor, and was launched in [illegible] with 250,000 interest-rate [illegible] tificates, also maturing [illegible]. The floater finished well sh[illegible] par issue price at around [illegible]

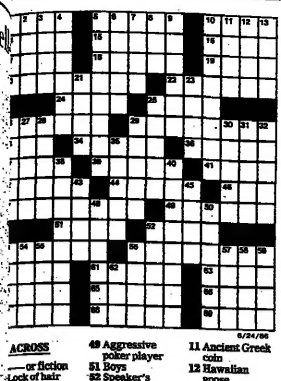
Monday's OTC Prices

NASDAQ prices as of 3 p.m. New York time.
Via The Associated Press

12 Month High	Low	Stock	Div.	Yld.	Sales in 100s	High	Low	3 P.M.	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]



SHERIDAN MORI[illegible]
IN THE IHT EVERY WEDN[illegible]
WITH PERCEPTIVE CRITIC[illegible]
OF THE LONDON THEA[illegible]



6/24/86

ACROSS

—or fiction
Lock of hair
Chinese secret society
Peruvian Indian
Spokes
Cain's victim
Indigo plant
Representative
Hebrides island
Spiral descent of a plane
Cultivated land
Terminations
Titanic's base
Music lover's purchase
Dismal period of time
Fortify
Red dye used in cosmetics
Not fresh
—armis (with force and arms)
Wanders about
Middle East chieftain
Heating devices
Endures
French summer
Insurrection
48 Aggressive poker player
51 Boys
52 Speaker's platform
53 Swift product
56 Made to order
60 Portent
61 Once more
62 Body of knowledge
64 Three-—— circus
65 "To a ——," Burns poem
66 Finished
67 Augments
68 Woodland god
69 Strained to get by

DOWN

1 Arbitrary decree
2 —— Eleanor Roosevelt
3 Roman 211
4 Having greater stature
5 Opening on a stage floor
6 Old World cereal grasses
7 Former British prime minister
8 Transgress
9 Baby ——
10 Follow another car too closely
11 Ancient Greek coin
12 Hawaiian goose
13 ——rags
21 Snick and snee
22 Annoys
25 Ruins
26 Rescues
27 Like an old chestnut
28 Castigate texts
29 Couch
30 Chess and checkers
31 Top of the heap
32 More withered
35 One-man flights
36 Refuse from ground ore
40 Filter
43 Rigel is one
45 Depart by boat
48 Exemplars
50 Legendary Irish princess
53 Bumstead's dog
53 Marsh bird
54 Anagram for maid
55 Look after
56 Drawn tight
57 Crow
58 Relative of a bonebreaker
59 Property conveyance
62 Antelope of Tibet

© New York Times, edited by Eugene Maleska.

TENNIS THE MENACE

"ANY REQUESTS?"

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

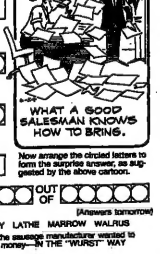
Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

VOPER

RODLE

SHAUTI

DEECES



WHAT A GOOD SALESMAN KNOWS HOW TO BRING.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: ○○○○○○ OUT OF ○○○○○○ [Answers tomorrow]

Yesterday's Jumbles: BULLY LATHE MARROW WALRUS

Answer: How the sausage manufacturer decided to make money—IN THE "WURST" WAY

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Athens	31	88	19	66	s
Barcelona	27	81	15	59	sh
Berlin	22	72	12	54	sh
Brussels	22	72	14	57	sh
Budapest	26	79	14	57	sh
Dublin	19	66	11	52	sh
Edinburgh	17	63	11	52	r
Geneva	28	82	14	57	sh
Helsinki	19	66	11	52	sh
Lisbon	24	75	14	57	s
London	19	66	11	52	sh
Madrid	31	88	17	63	s
Moscow	22	72	11	52	sh
Munich	22	72	11	52	sh
Oslo	16	61	9	48	sh
Paris	24	75	14	57	sh
Prague	24	75	14	57	sh
Reykjavik	11	52	6	43	r
Rome	28	82	17	63	s
Stockholm	17	63	9	48	sh
Vienna	24	75	14	57	sh
Warsaw	22	72	11	52	sh
Zurich	22	72	11	52	sh
MIDDLE EAST					
Ankara	28	82	14	57	s
Cairo	34	93	21	70	s
Jerusalem	31	88	17	63	s
Tel Aviv	28	82	19	66	s
Beirut	31	88	19	66	s
Damascus	34	93	14	57	s
Kuwait	41	106	28	82	s
Riyadh	41	106	27	81	s
Dhahran	41	106	27	81	s
Tripoli	28	82	19	66	s
Algiers	28	82	17	63	s
Rabat	24	75	14	57	s
Tunis	28	82	17	63	s
AFRICA					
Addis Ababa	26	79	11	52	s
Cape Town	17	63	6	43	sh
Casablanca	22	72	14	57	s
Harare	32	90	17	63	s
Lagos	31	88	23	73	s
Nairobi	26	79	11	52	s
Tunis	32	90	19	66	s
ASIA					
Bangkok	34	93	27	81	s
Beijing	27	81	21	70	s
Hong Kong	30	86	27	81	s
Manila	32	90	23	73	s
New Delhi	39	102	29	84	s
Seoul	28	82	22	72	s
Shanghai	28	82	23	73	s
Singapore	31	88	27	81	s
Taipei	31	88	23	73	s
Tokyo	24	75	22	72	s
AFRICA					
Algiers	32	90	17	63	s
Cairo					
Cape Town	17	63	6	43	sh
Casablanca	22	72	14	57	s
Harare	32	90	17	63	s
Lagos	31	88	23	73	s
Nairobi	26	79	11	52	s
Tunis	32	90	19	66	s
LATIN AMERICA					
Buenos Aires	12	54	11	52	r
Caracas	28	82	17	63	s
Lima	19	66	17	63	s
Mexico City	26	79	11	52	s
Rio de Janeiro	—	—	—	—	—
NORTH AMERICA					
Anchorage	15	59	9	48	r
Atlanta	30	86	21	70	sh
Boston	29	84	17	63	sh
Chicago	29	84	19	66	sh
Cleveland	27	81	14	57	sh
Dallas	32	90	22	72	s
Denver	31	88	19	66	s
Detroit	29	84	19	66	sh
Honolulu	31	88	23	73	s
Houston	34	93	23	73	s
Los Angeles	24	75	17	63	pc
Miami	31	88	24	75	sh
Minneapolis	27	81	11	52	sh
New Orleans	32	90	23	73	s
New York	31	88	21	70	sh
San Francisco	23	73	12	54	s
Seattle	22	72	11	52	s
Toronto	29	84	13	55	s
Washington	31	88	19	66	s
OCEANIA					
Auckland	14	57	10	50	sh
Sydney	14	57	6	43	s

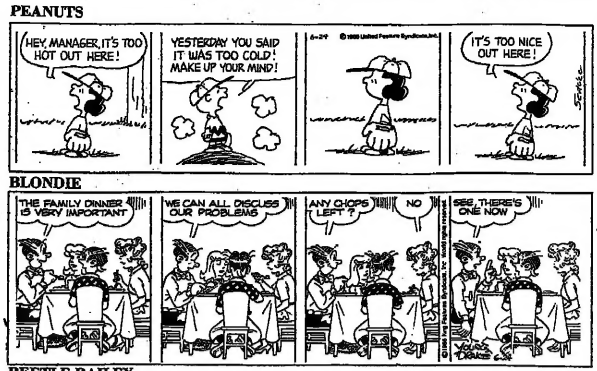
(s-sunny; pc-partly cloudy; c-cloudy; sh-showers; r-rain; sn-snow; t-thunderstorms)

YESTERDAY'S WORLD EXTS.—CHANNEL: Sleet. FRANKFURT: Showers, Temp. 16 (61)—Rain, Temp. 14 (57). LONDON: Cloudy, Temp. 11—14 (52—57). MADRID: Rain, Temp. 22—7 (72—45). NEW YORK: Cloudy, Temp. 22—29 (72—84). PARIS: Rain, Temp. 12—24 (54—75). ROME: Showers, Temp. 21—19 (70—66). TEL AVIV: Rain, Temp. 21—19 (70—66). ZURICH: Cloudy, Temp. 7—12 (45—54).

AMERICAS: Rain, Temp. 32—27 (90—81). MEXICO CITY: Rain, Temp. 26—11 (79—52). MIAMI: Showers, Temp. 31—24 (88—75). MONTREAL: Cloudy, Temp. 13—7 (55—45). NEW ORLEANS: Rain, Temp. 32—23 (90—73). SAN FRANCISCO: Fair, Temp. 12—7 (54—45). TORONTO: Rain, Temp. 13—7 (55—45).

ASIA: Rain, Temp. 34—27 (93—81). BEIJING: Rain, Temp. 27—21 (81—70). HONG KONG: Cloudy, Temp. 30—27 (86—81). MANILA: Rain, Temp. 32—23 (90—73). SEOUL: Rain, Temp. 28—22 (82—72). SHANGHAI: Rain, Temp. 28—23 (82—73). SINGAPORE: Rain, Temp. 32—27 (90—81). TOKYO: Rain, Temp. 24—22 (75—72).

PEANUTS



BLONDIE

BEETLE BAILEY

ANDY CAPP

WIZARD of ID

REX MORGAN

GARFIELD

BOOKS

THE TRIUMPH OF PIERROT: The Commedia dell'Arte and the Modern Imagination

By Martin Green and John Swan. Illustrated. 297 pages. $25. Macmillan, 866 Third Avenue, New York, N. Y. 10022.

Reviewed by Michiko Kakutani

WHAT do Stravinsky, Degas, Chaplin, Isak Dinesen, Meyerhold, Monty Python and T.S. Eliot have in common? What do such disparate works as Picasso's "Family of Saltimbanques," Bergman's "Sawdust and Tinsel," Waugh's "Put Out More Flags" and Pirandello's "Six Characters in Search of an Author" share? As Martin Green and John Swan persuasively argue, all have been influenced by the Italian commedia dell'arte.

No doubt most of us are familiar enough with the main characters as described by Green: "Pierrot, at least in modern times, wears a black skullcap, white floppy pants and jacket, a pale, gaunt makeup. Harlequin wears tights, designed in contrasting diamonds of color, often spangled, and carries a stick. Columbine is sumptuously and sensually adorned. The naive, defenseless, moonstruck Pierrot adores the lovely Columbine, who has wit and feeling enough to appreciate his worth but is too light-minded to resist the coarse and brutal Harlequin, who is himself bound to Pierrot in a mocking, rueful, treacherous comradeship."

As the authors point out, this set of relationships surfaces again and again in many contemporary works of art: played out, for instance, by Jules, Jim and Catherine in Truffaut's famous movie; by Gatsby, and Tom and Daisy Buchanan in Fitzgerald's "Great Gatsby"; by Jake, Romero and Brett in Hemingway's "Sun Also Rises."

At the same time, the legacy of commedia involves a sensibility, and an attitude toward life — "a readiness for reversal," coupled with "a moral self-doubt" and a sense of the absurd.

In earlier studies, Green has demonstrated a keen ability to pick resonant subjects, and a special gift for illuminating the connections between society and culture. In "The Triumph of Pierrot," he and Swan, a scholar and librarian at Wabash College in Indiana, use their familiarity with literature, painting, dance, music, theater and film to show not only commedia's pervasive influence, but the reasons for its enduring appeal.

In the process, they point up lots of interesting parallels between different art forms, as well as striking links between individual works. They note the differences between Ingmar Bergman's clowns and Fellini's, and the similarities between T.S. Eliot's Prufrock and Stan Laurel. They trace the development of commedia iconography in the canvases of Watteau, Daumier, Degas, Cézanne, Rouault and David Hockney. They examine its impact on the work of Picasso, whose love of the circus remained a constant from his early Saltimbanques paintings through his collaborations with Diaghilev and such later paintings as "Three Musicians."

Although Green and Swan's hypotheses are almost always compelling, their efforts to find illustrations occasionally feel strained. In fact, by the end of the book, the reader has the impression that they've become so mesmerized by their subject that they see — or hallucinate — commedia images everywhere they look.

To say that "Proust was not a Pierrot in what he wrote so much as in what he was," that his huge eyes and big white collar made him look like a Pierrot, places undue emphasis on the superficialities. While hardly discrediting the authors, such arguments serve to distract the reader from their other real — and very noteworthy — achievements *in this volume.*

Michiko Kakutani is on the staff of The New York Times.

Solution to Previous Puzzle

P	A	G	E		L	E	T	U	S		T	A	T	A
A	G	U	A		A	M	I	N	E		R	I	I	S
L	E	I	S		M	I	N	I	S	K	I	R	T	S
M	E	L	T	A	B	L	E		S	I	M	E	O	N
		L	O	B	E		S	I	T	E				
M	O	N	O	N	A	D		P	O	S	T	F	I	X
O	C	T		S	T	E	P	I	N		E	R	S	E
A	T	I	M	E		P	A	C		D	R	I	E	R
T	E	N	O		R	O	W	E	N	A		T	R	E
S	T	E	L	L	A	R		D	E	M	O	T	E	S
		A	I	N	T			S	A	F	E			
C	R	E	S	T	S		S	E	T	S	F	R	E	E
R	A	M	S	H	A	C	K	L	E		S	E	R	B
A	G	U	E		C	O	E	U	R		E	R	I	E
B	E	S	S		K	E	E	L	S		T	S	A	R

6/24/86

CHESS

By Robert Byrne

LEV Alburt of New York, the United States champion, has won the second United States-United Kingdom challenge match in London.

Alburt lost the first game, but rallied to win the fourth and sixth games before loosing the eighth game to bring about the 4-4 tie. The other regulation games ended in draws.

In the sixth game, Alburt succeeded with a kingside attack.

The old 3 P-K4, long considered naive against the Queen's Gambit Accepted, has been making a comeback of late, partly because 3. . .P-K4; 4N-KB3, PxP; 5 BxP is proving to be a viable sacrifice.

When Speelman used 3. . .N-QB3 in the second match game, Alburt did not achieve anything with 4 P-Q5, N-K4; 5 B-B4, N-N3; 6 B-N3, P-KR4!?; 7 N-KB3, P-R5; 8 B-K5, P-K3; 9 BxP/4, NxB; 10 NxN, B-Q3; 11 Q-R4ch, K-B1; 12 P-B4, Q-B3!

Speelman's interesting strategy with 6. . .BxN; 7 PxB, Q-B3?! in the present game was to prepare for. . .O-O-O and put pressure on the white QP. To free the white queen from the double task of defending both the foremost KBP and the QP, Alburt was obliged to break his solid pawn front by advancing 8 P-K5.

After 12 O-O-O, the strong threat of 13 N-K4 virtually compelled Speelman to exchange with 12. . .BxN; 13 PxB. Moreover, he had to act swiftly with 13. . .N-Q4; 14 Q-B2, P-B3 before Alburt's incipient kingside attack could pick up momentum.

On Alburt's sharp 15 QR-N1!?, it may have been best for Speelman to play 15. . .PxP, especially because 16 R-N4, Q-R6; 17 R/1-N1, R-B2; 18 BxN, PxB; 19 Q-K4 could be contested by 19. . .N-B3!; 20 QxBP, NxR; 21 QxRch, R-B1

Instead, 15. . .NxB?!; 16 PxN, PxP; 17 R-N4, Q-R3 (17. . .Q-R6; 18 R/1-N1, R-B2; 19 Q-K4! powerfully threatens 20 R-R4!, while 19. . .QxBP?; 20 RxPch!, K-B1; 21 RxRch, QxR; 22 R-KB1 wins the queen); 18 Q-K4, PxP let Alburt roll another Cannon into position with 19 R/1-N1! The point was that 19. . .QxPch?; 20 QxQ, PxQ; 21 RxPch, K-R1; 22 B-Q3! forces Black to drop the exchange with 22. . .R-B4; 23 BxR, PxB, whereupon 24 R-B7 results in decisive advantage for White.

Also, 19. . .R-B2; 20 PxP, Q-B3; 21 B-Q3, Q-B4 (21. . .P-KN3; 22 RxPch!, PxR; 23 RxPch clearly favors White); 22 QxQ, PxQ; 23 R-N5, K-R1; 24 BxP is very strong for White.

Speelman's defense with 19. . .R-B4 permitted Alburt to regain his sacrificed material and maintain clear positional superiority after 22 PxP.

On the 25 R/1-N7!, there was no use trying 25. . .Q-R6ch; 26 K-Q1, Q-R5ch; 27 K-K1, Q-N5ch; 28 K-B1, Q-N8ch; 29 QxQ, RxQch; 30 K-B2, R-N7ch; 30 K-N3, because the white rook's control of the seventh rank insures victory. So Speelman had to exchange his queen for two rooks by 25. . .QxR; 26 RxQ, KxR.

After 32 P-K4! (32. . .RxQP?; 33 Q-K7ch! costs Black one rook or the other), the strong white pawns destroyed Black's chances for defense.

Speelman played 36. . .P-KR3?, but then gave up without waiting for 37 Q-Q8ch, which wins a rook.

SPEELMAN/BLACK

ALBURT/WHITE

Position after 18 . . . PxP

QUEEN'S GAMBIT ACCEPTED

White	Black	White	Black
1 P-Q4	P-Q4	16 P-B3	R-B1
2 P-K4	PxP	17 BxPch	K-R1
3 N-KB3	P-QN4	18 PxP	PxP
4 P-K5	P-QB4	19 R/1-N1	Q-Q1
5 P-QR4	P-QN3	20 Q-K4	Q-B1
6 PxP	N-R3	21 R-N7	Q-K1
7 N-R3	B-N5	22 R-R7	Q-B1
8 B-K2	PxP	23 RxP	R-QB1
9 BxP	N-B3	24 R-R7	R-B2
10 B-N5	B-K2	25 R/1-N7	QxR
11 BxN	BxB	26 RxQ	KxR
12 O-O-O	N-K4	27 Q-R4	R-B1
13 N-K4	O-O	28 Q-R8	R-B1
14 Q-B2	P-B3	29 Q-R4	R-B2
15 QR-N1	Q-R6	30 Q-R8	R-B1
16 R-N4	Q-R3	31 Q-R4	R-B2
17 R/1-N1	R-B2	32 P-K4	P-K3
18 B-K3	R-B1	33 Q-R8	R-B1
19 Q-K4	PxP	34 Q-R4	R-B2
20 RxP	P-N3	35 Q-R8	R-B1
21 R-R4	R-B4	36 Q-R4	P-KR3
22 BxR	PxB	37 Q-Q8ch	K-R2
23 R-N7	R-B2	38 Q-Q7	R-B1
24 R-R7	R-B1	39 Q-Q8ch	K-R3
25 R/1-N7	Q-Q1	40 Q-Q7	R-B2
26 R-R7	R-B2	41 Q-Q8ch	K-R2
27 R-R4	R-B1	42 Q-Q7	R-B1
28 R-R7	R-B2	43 Q-Q8ch	K-R3
29 R-R4	R-B1	44 Q-Q7	R-B2
30 R-R7	R-B2	45 Q-Q8ch	K-R2
31 R-R4	R-B1	46 Q-Q7	R-B1
32 P-K4	P-K3	47 Q-Q8ch	K-R3
33 Q-R8	R-B1	48 Q-Q7	R-B2
34 Q-R4	R-B2	49 Q-Q8ch	K-R2
35 Q-R8	R-B1	50 Q-Q7	R-B1
36 Q-R4	P-KR3	51 Q-Q8ch	K-R3
37 Q-Q8ch	K-R2	52 Q-Q7	R-B2
38 Q-Q7	R-B1	53 Q-Q8ch	K-R2
39 Q-Q8ch	K-R3	54 Q-Q7	R-B1
40 Q-Q7	R-B2	55 Q-Q8ch	K-R3
41 Q-Q8ch	K-R2	56 Q-Q7	R-B2
42 Q-Q7	R-B1	57 Q-Q8ch	K-R2
43 Q-Q8ch	K-R3	58 Q-Q7	R-B1
44 Q-Q7	R-B2	59 Q-Q8ch	K-R3
45 Q-Q8ch	K-R2	60 Q-Q7	R-B2
46 Q-Q7	R-B1	61 Q-Q8ch	K-R2
47 Q-Q8ch	K-R3	62 Q-Q7	R-B1
48 Q-Q7	R-B2	63 Q-Q8ch	K-R3
49 Q-Q8ch	K-R2	64 Q-Q7	R-B2
50 Q-Q7	R-B1	65 Q-Q8ch	K-R2
51 Q-Q8ch	K-R3	66 Q-Q7	R-B1
52 Q-Q7	R-B2	67 Q-Q8ch	K-R3
53 Q-Q8ch	K-R2	68 Q-Q7	R-B2
54 Q-Q7	R-B1	69 Q-Q8ch	K-R2
55 Q-Q8ch	K-R3	70 Q-Q7	R-B1
56 Q-Q7	R-B2	71 Q-Q8ch	K-R3
57 Q-Q8ch	K-R2	72 Q-Q7	R-B2
58 Q-Q7	R-B1	73 Q-Q8ch	K-R2
59 Q-Q8ch	K-R3	74 Q-Q7	R-B1
60 Q-Q7	R-B2	75 Q-Q8ch	K-R3
61 Q-Q8ch	K-R2	76 Q-Q7	R-B2
62 Q-Q7	R-B1	77 Q-Q8ch	K-R2
63 Q-Q8ch	K-R3	78 Q-Q7	R-B1
64 Q-Q7	R-B2	79 Q-Q8ch	K-R3
65 Q-Q8ch	K-R2	80 Q-Q7	R-B2
66 Q-Q7	R-B1	81 Q-Q8ch	K-R2
67 Q-Q8ch	K-R3	82 Q-Q7	R-B1
68 Q-Q7	R-B2	83 Q-Q8ch	K-R3
69 Q-Q8ch	K-R2	84 Q-Q7	R-B2
70 Q-Q7	R-B1	85 Q-Q8ch	K-R2
71 Q-Q8ch	K-R3	86 Q-Q7	R-B1
72 Q-Q7	R-B2	87 Q-Q8ch	K-R3
73 Q-Q8ch	K-R2	88 Q-Q7	R-B2
74 Q-Q7	R-B1	89 Q-Q8ch	K-R2
75 Q-Q8ch	K-R3	90 Q-Q7	R-B1
76 Q-Q7	R-B2	91 Q-Q8ch	K-R3
77 Q-Q8ch	K-R2	92 Q-Q7	R-B2
78 Q-Q7	R-B1	93 Q-Q8ch	K-R2
79 Q-Q8ch	K-R3	94 Q-Q7	R-B1
80 Q-Q7	R-B2	95 Q-Q8ch	K-R3
81 Q-Q8ch	K-R2	96 Q-Q7	R-B2
82 Q-Q7	R-B1	97 Q-Q8ch	K-R2
83 Q-Q8ch	K-R3	98 Q-Q7	R-B1
84 Q-Q7	R-B2	99 Q-Q8ch	K-R3
85 Q-Q8ch	K-R2	100 Q-Q7	R-B2
86 Q-Q7	R-B1	101 Q-Q8ch	K-R2
87 Q-Q8ch	K-R3	102 Q-Q7	R-B1
88 Q-Q7	R-B2	103 Q-Q8ch	K-R3
89 Q-Q8ch	K-R2	104 Q-Q7	R-B2
90 Q-Q7	R-B1	105 Q-Q8ch	K-R2
91 Q-Q8ch	K-R3	106 Q-Q7	R-B1
92 Q-Q7	R-B2	107 Q-Q8ch	K-R3
93 Q-Q8ch	K-R2	108 Q-Q7	R-B2
94 Q-Q7	R-B1	109 Q-Q8ch	K-R2
95 Q-Q8ch	K-R3	110 Q-Q7	R-B1
96 Q-Q7	R-B2	111 Q-Q8ch	K-R3
97 Q-Q8ch	K-R2	112 Q-Q7	R-B2
98 Q-Q7	R-B1	113 Q-Q8ch	K-R2
99 Q-Q8ch	K-R3	114 Q-Q7	R-B1
100 Q-Q7	R-B2	115 Q-Q8ch	K-R3
101 Q-Q8ch	K-R2	116 Q-Q7	R-B2
102 Q-Q7	R-B1	117 Q-Q8ch	K-R2
103 Q-Q8ch	K-R3	118 Q-Q7	R-B1
104 Q-Q7	R-B2	119 Q-Q8ch	K-R3
105 Q-Q8ch	K-R2	120 Q-Q7	R-B2
106 Q-Q7	R-B1	121 Q-Q8ch	K-R2
107 Q-Q8ch	K-R3	122 Q-Q7	R-B1
108 Q-Q7	R-B2	123 Q-Q8ch	K-R3
109 Q-Q8ch	K-R2	124 Q-Q7	R-B2
110 Q-Q7	R-B1	125 Q-Q8ch	K-R2
111 Q-Q8ch	K-R3	126 Q-Q7	R-B1
112 Q-Q7	R-B2	127 Q-Q8ch	K-R3
113 Q-Q8ch	K-R2	128 Q-Q7	R-B2
114 Q-Q7	R-B1	129 Q-Q8ch	K-R2
115 Q-Q8ch	K-R3	130 Q-Q7	R-B1
116 Q-Q7	R-B2	131 Q-Q8ch	K-R3
117 Q-Q8ch	K-R2	132 Q-Q7	R-B2
118 Q-Q7	R-B1	133 Q-Q8ch	K-R2
119 Q-Q8ch	K-R3	134 Q-Q7	R-B1
120 Q-Q7	R-B2	135 Q-Q8ch	K-R3
121 Q-Q8ch	K-R2	136 Q-Q7	R-B2
122 Q-Q7	R-B1	137 Q-Q8ch	K-R2
123 Q-Q8ch	K-R3	138 Q-Q7	R-B1
124 Q-Q7	R-B2	139 Q-Q8ch	K-R3
125 Q-Q8ch	K-R2	140 Q-Q7	R-B2
126 Q-Q7	R-B1	141 Q-Q8ch	K-R2
127 Q-Q8ch	K-R3	142 Q-Q7	R-B1
128 Q-Q7	R-B2	143 Q-Q8ch	K-R3
129 Q-Q8ch	K-R2	144 Q-Q7	R-B2
130 Q-Q7	R-B1	145 Q-Q8ch	K-R2
131 Q-Q8ch	K-R3	146 Q-Q7	R-B1
132 Q-Q7	R-B2	147 Q-Q8ch	K-R3
133 Q-Q8ch	K-R2	148 Q-Q7	R-B2
134 Q-Q7	R-B1	149 Q-Q8ch	K-R2
135 Q-Q8ch	K-R3	150 Q-Q7	R-B1
136 Q-Q7	R-B2	151 Q-Q8ch	K-R3
137 Q-Q8ch	K-R2	152 Q-Q7	R-B2
138 Q-Q7	R-B1	153 Q-Q8ch	K-R2
139 Q-Q8ch	K-R3	154 Q-Q7	R-B1
140 Q-Q7	R-B2	155 Q-Q8ch	K-R3
141 Q-Q8ch	K-R2	156 Q-Q7	R-B2
142 Q-Q7	R-B1	157 Q-Q8ch	K-R2
143 Q-Q8ch	K-R3	158 Q-Q7	R-B1
144 Q-Q7	R-B2	159 Q-Q8ch	K-R3
145 Q-Q8ch	K-R2	160 Q-Q7	R-B2
146 Q-Q7	R-B1	161 Q-Q8ch	K-R2
147 Q-Q8ch	K-R3	162 Q-Q7	R-B1
148 Q-Q7	R-B2	163 Q-Q8ch	K-R3
149 Q-Q8ch	K-R2	164 Q-Q7	R-B2
150 Q-Q7	R-B1	165 Q-Q8ch	K-R2
151 Q-Q8ch	K-R3	166 Q-Q7	R-B1
152 Q-Q7	R-B2	167 Q-Q8ch	K-R3
153 Q-Q8ch	K-R2	168 Q-Q7	R-B2
154 Q-Q7	R-B1	169 Q-Q8ch	K-R2
155 Q-Q8ch	K-R3	170 Q-Q7	R-B1
156 Q-Q7	R-B2	171 Q-Q8ch	K-R3
157 Q-Q8ch	K-R2	172 Q-Q7	R-B2
158 Q-Q7	R-B1	173 Q-Q8ch	K-R2
159 Q-Q8ch	K-R3	174 Q-Q7	R-B1
160 Q-Q7	R-B2	175 Q-Q8ch	K-R3
161 Q-Q8ch	K-R2	176 Q-Q7	R-B2
162 Q-Q7	R-B1	177 Q-Q8ch	K-R2
163 Q-Q8ch	K-R3	178 Q-Q7	R-B1
164 Q-Q7	R-B2	179 Q-Q8ch	K-R3
165 Q-Q8ch	K-R2	180 Q-Q7	R-B2
166 Q-Q7	R-B1	181 Q-Q8ch	K-R2
167 Q-Q8ch	K-R3	182 Q-Q7	R-B1
168 Q-Q7	R-B2	183 Q-Q8ch	K-R3
169 Q-Q8ch	K-R2	184 Q-Q7	R-B2
170 Q-Q7	R-B1	185 Q-Q8ch	K-R2
171 Q-Q8ch	K-R3	186 Q-Q7	R-B1
172 Q-Q7	R-B2	187 Q-Q8ch	K-R3
173 Q-Q8ch	K-R2	188 Q-Q7	R-B2
174 Q-Q7	R-B1	189 Q-Q8ch	K-R2
175 Q-Q8ch	K-R3	190 Q-Q7	R-B1
176 Q-Q7	R-B2	191 Q-Q8ch	K-R3
177 Q-Q8ch	K-R2	192 Q-Q7	R-B2
178 Q-Q7	R-B1	193 Q-Q8ch	K-R2
179 Q-Q8ch	K-R3	194 Q-Q7	R-B1
180 Q-Q7	R-B2	195 Q-Q8ch	K-R3
181 Q-Q8ch	K-R2	196 Q-Q7	R-B2
182 Q-Q7	R-B1	197 Q-Q8ch	K-R2
183 Q-Q8ch	K-R3	198 Q-Q7	R-B1
184 Q-Q7	R-B2	199 Q-Q8ch	K-R3
185 Q-Q8ch	K-R2	200 Q-Q7	R-B2
186 Q-Q7	R-B1	201 Q-Q8ch	K-R2
187 Q-Q8ch	K-R3	202 Q-Q7	R-B1
188 Q-Q7	R-B2	203 Q-Q8ch	K-R3
189 Q-Q8ch	K-R2	204 Q-Q7	R-B2
190 Q-Q7	R-B1	205

ART BUCHWALD

Using Quiet Diplomacy

WASHINGTON — "What is our policy in South Africa?" I asked Nattily, a top-ranking source at the State Department.

"We deplore what is going on there and will take tough measures to see that the South African government changes its ways.

"What kind of measures?" I asked.

"We will threaten them with the only thing the Botha government understands — quiet diplomacy."

Buchwald

"What *kind* of quiet diplomacy?"

"It wouldn't be quiet if I told you, would it? I can only reveal that in our experience, the more you raise your voice, the less influence you have. But if we can go in through the back door there is always a chance we can make a deal with Botha."

"What if you can't?"

"Then we continue our quiet diplomacy, hoping the South African leaders will see the light."

□

"Does quiet diplomacy really work?" I asked.

"All the time. We've used it in every fascist country in the world, and it's never failed."

"You mean governments have stopped beating up people in the streets after you come in with Q. D.?"

"You have to take my word for it. The quieter you are about human rights' violations, the better behaved the foreign government is about locking up people."

"What is wrong with instituting economic sanctions against South Africa?"

"They don't work."

"Then why do we have them against Cuba?"

"With Communists they work," Nattily said. "But sanctions against a friendly fascist power would hurt the people we are trying to help."

"That means your chance of using sanctions could hurt our relations with South Africa?"

"Correct. I think Secretary of State George Shultz summed it up best on the evening news when asked if the U. S. would levy sanctions, he replied, 'No.'"

"What do you say to Bishop Tutu when he calls on the U. S. to invoke sanctions?"

"We don't say anything to Bishop Tutu if we can help it. Our policy is to remain neutral in South Africa."

□

I then asked Nattily, "Does it bother you that Botha has instituted a state of emergency and anyone can be locked up for no reason?"

"Of course it bothers us, and we intend to bring it up at the next quiet diplomacy meeting in Pretoria. You are aware that President Reagan sent Botha a very tough note about the South African martial law edict."

"Did it have any effect?"

"No, but that is the advantage of quiet diplomacy. Very few people know that Botha told Reagan to stuff it."

"That's a foreign policy?"

Nattily said, "Do you have a better one?"

"I might go for the sanctions if I was bankrupt in ideas."

"Forget it. We're too good at this thing. We've war-gamed it from one end of Foggy Bottom to the other. In foreign affairs there is a time to shout and a time to whisper."

"And?"

"Well, you don't hear anyone in the entire administration shouting about South Africa."

"So we can relax knowing that we're up to our necks in quiet diplomacy?"

"To quote the secretary of state when asked on one of the morning news shows if we had the situation under control, his answer was, 'Yes.'"

Last Chagall Tapestry Is Unveiled in Chicago

Reuters

CHICAGO — Marc Chagall's last major work, a tapestry on the theme of human suffering, has been unveiled here in the lobby of a medical center for people hurt in catastrophic accidents.

The tapestry, titled "Job," measures 8 by 13 feet (2.4 by 3.9 meters). Woven by Yvette Cauquil-Prince in Paris, it was commissioned by the Rehabilitation Institute for $175,000.

Jimmy Breslin's 'Table Money'

By Charles Champlin
Los Angeles Times Service

LOS ANGELES — Jimmy Breslin may not be the world's last passionate man. But you have the feeling that he is one of a group so small it could convene at a table in the Automat — and it was never that large a group to begin with.

Breslin, who won a Pulitzer Prize not long ago for his thrice-weekly column in the New York Daily News, is large, profane, restless, enthusiastic and urgent. You cannot imagine him being indifferent about anything — from breakfast eggs to the state of the New York Police Department or the world.

He was in Los Angeles recently to see a few dozen close friends and work on his latest novel, "Table Money," a multigenerational Queens family chronicle that is tough, funny and tragic and is getting reviews like even Breslin cannot believe.

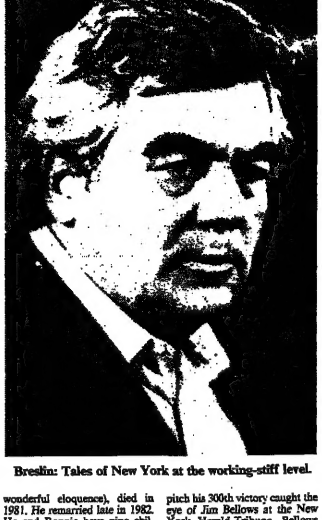
"My editor says they're the best reviews he's read on any book in five years," Breslin said. The reviews have tended to be unabashed and unreserved, with special praise for the character of the sandhog's wife who emerges as the central figure in the book, the survivingest of a bundle of born survivors.

"You always end up with a woman," Breslin said. "You cover a trial and the guy goes off to the detention room to begin the long trip, and you're left in the hall of the courthouse with the wife. If I go back over 10 years of columns at the Daily News, a good 50 percent would be about women. But most newspaper guys when they come to write a novel figure it's got to be about a man, a cop or somebody.

"Men don't write about women. Styron had one, I suppose — Sophie. But I'd like to do my next novel in the first person from inside a woman's head."

Mrs. Breslin, the former Ronnie Myers Eldridge, laughed from across the table. "She doesn't believe me," Breslin said. "But I've lived with two women for a total of 31 years. I know a little about them."

His first wife, Rosemary Dattolico (about whom he wrote with wonderful eloquence), died in 1981. He remarried late in 1982. He and Ronnie have nine children between them.



Breslin: Tales of New York at the working-stiff level.

Breslin, who is 56, grew up in Queens, in the shadow of New York's Aqueduct race track. He went to work as a copy boy at the Long Island Daily Press when he was 17, aiming to be a sports writer.

"You got in all the games free. There were all those free drinks. I used to see the priest from St. Aquedut. That was for me."

In time, he did everything on newspapers. He was at the New York Journal-American in 1963, about ready to quit in favor of a career as a novelist, when a piece he did for Life magazine on Early Wynn's struggles to pitch his 300th victory caught the eye of Jim Bellows at the New York Herald-Tribune. Bellows persuaded Breslin to start a five-day-a-week column about the city he seemed to know better than anybody else, especially and tellingly at the working-stiff level.

"Table Money" took 10 years of research and writing. "I wrote 150 pages of magnificent stuff," Breslin said. "It was a wonderful opening." The trouble was, he could not figure out for years how to join it with what was to follow. Meanwhile, he wrote two other books. He started again on "Table Money" about three years ago.

He wrote on non-column days and on his days off, fearing always that the book would sound like a succession of disjointed, 1,000-word, column-length bursts — a flaw he finds in what he thinks should have been his best book until now, "World Without End, Amen."

A friend in the clothing business, Irving Selbst, gave Breslin the daytime use of his apartment and he did his writing there.

"Irving admitted that Jackie Collins was the only author he read, but he liked the idea of having a writer around," Breslin said. "He kept saying, 'Put in more sex; why don't you copy from Jackie?' The apartment was empty when I began; Irving furnished it around me."

Selbst, who was a walk-on in the film of Breslin's "The Gang Who Couldn't Shoot Straight," plays a mobster in Woody Allen's next film. But he died before he could bask in the success of the book Breslin wrote in his living room.

When Breslin finished the manuscript, it ran to more than 1,000 pages. "My editor, Corlies Smith at Ticknor & Fields, read it and handed me the first 150 pages and said, 'We can do without these, of course.'

"In my heart I knew he was right, and it made the whole thing different. But it hurt — oh, did it hurt. But Smith is very tough. He works with Pynchon and he had a lot to do with William Kennedy's 'Ironwood' books. He's also in the Philadelphia Social Register. Very elegant. I felt like a plumber coming to his house."

Breslin is working on a biography of Damon Runyon, an earlier chronicler of Manhattan, and has been tracking down the work of Runyon's father, a journalist in Kansas and Colorado. The father wrote better journalistic prose, Breslin thinks, but the Runyon stories are incomparable.

Meanwhile, Breslin keeps turning out columns, even on the road. "I keep asking myself why. Then my paycheck arrives and I have a good, cold, flat answer."

He has been interviewed for People magazine, which he hopes will move a copy or two of "Table Money."

"I wrote the book as honestly as I knew how," he said. "Now I'm selling it as flagrantly as I can."

PEOPLE

Pavarotti in Beijing

Luciano Pavarotti has arrived in Beijing to perform "La Bohème" and give a series of concerts with the Genoa opera. With his throat swathed in brightly colored scarves, the tenor stepped off a special Alitalia flight four hours late, to be greeted by applause from dozens of Chinese and foreigners. One passenger, who declined to be identified, said the plane had been delayed in Genoa by a bomb scare. Pavarotti's visit is to last until at least July 5. . . . Vladimir Horowitz performed before an ecstatic Japanese audience of more than 2,500 in the first of three Tokyo recitals. The pianist last appeared in Japan in 1983. His remaining recitals are scheduled for June 28 and July 6.

□

Stacy Keach, 44, has married a Polish actress, Malgosia Tomasel, 28, in Los Angeles. Keach said last week that he was writing a book called "Christmas With Her Majesty," describing the six months he spent in an English prison for possession of cocaine. His "Mike Hammer" television series, which had been on the production shelf since his arrest, has been given a slot on the CBS network's 1986-87 schedule. . . . Nick Nolte, 45, star of "Down and Out in Beverly Hills," took a week off from shooting his latest movie, "Extreme Prejudice," to be with his wife for the birth of his first child. Rebecca Nolte, 27, gave birth to a 7-pound, 12-ounce boy in Los Angeles.

□

A woman described as eccentric and reclusive by neighbors in Cranston, Rhode Island, has created a furor by ordering in her will that her historic home and its contents be destroyed. Ethel Turner was 86 when she died in April. Her will stated that her Victorian home in the exclusive waterfront area, listed in the National Register of Historic Places, "shall be razed" and that the contents of the house "shall be destroyed rather than sold." Neighbors who have been inside say the house is full of valuable antiques. The will orders that the land be leveled and given to the city for public access to the Providence River and Narragansett Bay.

□

When a new space center opens next month at the Museum of Science and Industry in Chicago, visitors will find an unusual piece of space flotsam — a bottle of champagne. The bottle was among items carried by James A. Lovell Jr., who flew two Gemini space missions and two Apollo missions. He also donated a flight suit and helmet among other objects. "I haven't done much good to people in the country in my study," said Lovell. Small bottles of [illegible] were Christmas presents to Lovell, Frank Borman and William Anders from ground controllers during the Apollo 8 flight. Lovell said:

□

The directors of the Apollo building in Dallas [illegible] said students who called on them [illegible] to move for fear of [illegible] they do not have the [illegible] to their new neighborhood. [illegible] Prime Minister Margaret Thatcher of Britain. Her [illegible] friend after he was [illegible] another apartment [illegible] Tate Creek area by [illegible] they could not prevent [illegible] from terrorism threats.

□

Ann Landers and Abigail Van Buren didn't go by their sister's column aliases at their 50th high school reunion in Sioux City, Iowa. The twin sisters were born Esther Pauline Friedman, known as "Eppie" (Ann), and Pauline Phyllis Friedman, called "Po-Pauline" by friends (Abby). Classmates remembered the pair for dressing alike and sometimes passing themselves off as each other. Abby said it was "by the grace of God and the kindness of my geometry teacher that I graduated."

□

Secretary of State George Shultz and the Texas industrialist H. Ross Perot are among 10 Americans who will receive Jefferson Awards for outstanding public service from the American Institute for Public Service. The awards will be presented Tuesday in Washington. Jean Kennedy Smith and Eunice Kennedy Shriver, co-founders of the institute, which has a 75-member board that selects the winners.

□

Prince Edward, the youngest son of Queen Elizabeth II of Britain, has passed his final exams at Cambridge University to receive a second-class honors degree in history.

INTERNATIONAL CLASSIFIED

PERSONALS

NATHAN, RANDY - We must get some professional secretarial staff to help us out at the meeting. Can you arrange? Kevin?

MOVING

interdean

WHO ELSE FOR YOUR NEXT INTERNATIONAL MOVE

FOR A FREE ESTIMATE CALL

AMSTERDAM: (071) 89 93 34
ANTWERP: (03) 231 29 34
ATHENS: (01) 961.12.12
BARCELONA: (93) 685 22 11
BONN: (0228) 626042
BREMEN: (0421) 170597
BRUSSELS: (02) 720.95.65
CAIRO: (02) 851 34 64
FRANKFURT: (069) 746031
GENEVA: (022) 43.85.30
LONDON: (01) 961-4141
MADRID: (01) 671.24.50
MANCHESTER: (061) 707 7016
MUNICH: (089) 1415034
NAPLES: (081) 7801622
PARIS: (1) 30424900
ROME: (06) 5269342
VIENNA: (0222) 9965520
ZURICH: (01) 363.20.00

CONTINEX. Small & medium moves, baggage, can worldwide. Call Charlie Paris 42 81 18 81 (near Opera).

ALLIED
WORLDWIDE MOVING

PARIS: DESROCHES (1) 43 43 23 64
NICE: COMPAGNIE GENERALE 93 21 35 72
FRANKFURT (069) 250066 I.M.S.
DUSSELDORF: I.M.S.
RATINGEN: (02102) 445023 I.M.S.
MUNICH (089) 142244 I.M.S.
LONDON: ANERTRANS (01) 953 3636
USA: ALLIED VAN LINES (0101) 312-681-8100

ANNOUNCEMENTS

ALCOHOLICS ANONYMOUS in English. Paris (daily) 607 5925. Rome 678 00 20.

FELLING lousy? - having problems? SOS HELP crisis line in English. 3 p.m.-11 p.m. Tel: Paris 47 23 80 80.

REAL ESTATE FOR SALE

SPAIN

SPAIN PYRENEES HIDEAWAY. Charming 42-bed inn, by owner. A steal. Barcelona (3) 332 7287.

PARIS & SUBURBS

For Sale or Rent
Near new Disneyland, in France, east of Paris, in elegant site Noisy le Grand
Large & Handsome House
3700 sq.ft. full comfort, very large double living, 4 rooms, 3 bathrooms, 4-car garage, 3 outbuildings, 22,000 sq.ft. walled garden.
Please contact Cabinet BUSSI 11 rue de la Chaussee D'Antin 75009 PARIS - TEL: (1) 48 74 72 31

AIDS patients who would consider participating in a documentary film on AIDS research and treatments are asked to contact Gregory Colbert at Tel: 43 25 07 28 in Paris.

REAL ESTATE FOR SALE

PARIS & SUBURBS

RUE DE BIEVRE
94 sq.m. duplex, living + bedroom + equipped kitchen, excellent condition, price F2,500,000. RTS 42 65 47 13.

13TH, BUTTE AUX CAILLES. In beautiful modern building, charming penthouse on the 9th & last floor, double living + 4 bedrooms, 3 baths, 150 sq.m. entirely on 120 sq.m. planted terrace, luxurious decoration, clear views, sunny. F3,500,000.

AUTEUIL: Luxurious townhouse, reception, 5 bedrooms, 3 baths, sauna, garden, terrace, sunny, calm. Telephone 43 50 70 26.

HENRI MARTIN, 450 sq.m. panelling, 3 receptions, 6 bedrooms, 3 baths, 2 kitchens, garage, parking. High price, OPTIM 45 62 00 10.

AVENUE MONTAIGNE. 260 sq.m. entirely renovated, 3 receptions, 4 bedrooms, 3 baths, 2 kitchens, sunny. High justified price. Tel: 47 42 08 22.

15TH, TUILERIES. 45 sq.m. living, bedroom, luxurious kitchen-dinette, sunny, calm. F1,000,000. Tel: 45 66 60.

ON SEINE, facing Ile St Louis, south, 160 sq.m. panelling. Tel: 43 29 42 94.

REAL ESTATE FOR SALE

PARIS & SUBURBS

URGENT SAINT GERMAIN EN LAYE, 15 bis Versailles, residential, nice 3 rooms, 75 sq.m. + 15 sq.m. loggia, RER, schools/lycees incl., 2 parkings, pool. F630,000. 1-30 61 09 64.

SWITZERLAND

SWITZERLAND
Foreigners can buy STUDIOS/APARTMENTS / CHALETS, LAKE GENEVA - MONTREUX or in three world famous resorts. CRANS-MONTANA, LES DIABLERETS, VERBIER VILLAGE, CHATEAU D'OEX, JURA & region of GSTAAD. From SFr100,000. Mortgages 60% of 6/6% interest.
REVAZ S.A.
32 Montbrillant, CH-1202 GENEVA.
Tele. 022/341540. Telex: 22030

APARTMENTS & CHALETS
Fine selection available with authorization for foreigners.
Lake Geneva and Alpine resorts.
Reasonably priced. Excellent terms.
Visits on weekends by appointment
GLOBE PAN SA, Av. Mon Repos 24,
CH-1005 LAUSANNE, Switzerland.
Tel: (21) 22 35 17 Tlx: 25185 MEGS CH.

LAKE GENEVA + LUGANO, Montreux, Gstaad region, Locarno & many mountain resorts etc. Foreigners can buy superb new apartments/chalets/villas. All prices. Large choice. Free guidance service. Tel: SIBCOD S.A., Tour Grise 6, CH-1007 Lausanne 21/2365611, Lugano office 91/607646

AUSTRALIA

BRISBANE. FAMILY HOME. Cool open plan design, situated on main road frontage, 89ft. zoned, 1100 sq.m. home landscaped for gracious living. 3 bedrooms, all with own en suites, inground enclosed pool & spa. 30 min. city/Gold Coast. AUS $400,000. Wilson 737 6011 (Singapore).

FRENCH PROVINCES

FRENCH RIVIERA
IN THE HEART OF THE RIVIERA COURING COUNTRY
a magnificent property of about very beautiful 8,000 sq.m. park with swimming pool, superb view, 300 sq.m. of living. Large reception hall, 4 bedrooms with bathrooms, guest or caretaker's apartment. Very delightful. An interesting offer.
For information, Agence Centrale
12, Place de Gaulle 06400 Antibes
Tel: 93 33 82 40
Member of FNAIM & CIPI.

NORMANDY. Lovely 18th century house (14 rooms). Partly old in best Guest & domestic buildings, stables, training track, pool. F4,000,000. Tel: 1-42 88 32 26.

CANNES: Near festival & sea, renovated studios, 20 sq.m. equipped kitchen, exceptional price. Phone (1) 45 04 24 30.

CANNES CALIFORNIE. Magnificent penthouse with breathtaking sea view, superb proportion, 3 bedrooms, 3 baths, dressing, 70 sq.m. terrace, living room, terrace 200 sq.m., pool, tennis court. F4,500,000. Call 58 28 19 19 or 47 La Croisette, 06400 Cannes.

TOUR D'AZUR, ST PAUL DE VANCE. Near village, 250 m/sq., superb stone Provencal, 280 sq.m. living space, 60 sq.m. grand salon, + 2000 sq.m. land, pool. RS 300,000. Francoise Magnan, Le Rief 06570 Vence. Tele. 93 58 37 37. Tlx: 461225.

CAP FERRAT WATERFRONT. Cap's loveliest 5-bedroom home, 1 acre. React to the sea. Tel: 93 79 44 14.

MONACO

Principality of Monaco
RARE OPPORTUNITY
SUPERB 5/6-ROOM APARTMENT
for sale, facing south,
in perfect state, 200 sq.m.
F9,200,000
For further details please contact:
A.G.E.D.I.
26 bis, Bd Princesse Charlotte
MC 98000 MONACO
Tel: 93 50 64 00. Tlx: 479417 MC

MONTE CARLO
Luxurious, recently decorated and fully furnished, large, 1 bedroom apartment, with Casino and sea view, for sale. Bedroom with bathroom, kitchen, reception room, living room and 2 balconies. Located in the prestigious PARK PALACE complex
FFr.750,000. Ready to move into.
Tel: 003 93 30 57 94

REAL ESTATE TO RENT/SHARE

PARIS AREA FURNISHED

ON PLACE ST SULPICE
Superb lives + bedroom, quality furnishings. F15,000 net.
SERGE KAYSER (1) 43 29 60 60

74 CHAMPS-ELYSEES 8th
Studio, 2 or 3-room apartment.
One month or more.
LE CLARIDGE 43.59.62.97.

SHORT TERM STAY. Chamoni Elysees, Latin Quarter, Eiffel Tower, Montparnasse. Like a Parisian feel at home in fully equipped studios and apartments. Weekly rates. Tel: 47 05 04 84.

PLACE DE LA JATTE. New, modern, sun, luxurious 5-room, 2 baths, high class. F11,000. Short term possible. Tel: 47 58 04 84.

RUE ST LOUIS. Charming unique duplex on Seine, beautifully furnished and equipped, living, 2 bedrooms, 2 baths, sunny. F22,000. Tel: 43 25 81 32.

LOVELY PRIVATE HOUSE with garden in Paris 13, 3 bedrooms, large living, 2 baths, 2 kitchens, 1 terrace. F5000 per month. Tel: 45 65 84 44.

REAL ESTATE TO RENT/SHARE

PARIS AREA FURNISHED

4 MONTHS OR MORE. TROCADERO luxurious studio, 45 sq.m., F4500 net. FOULON, 2 rooms, 50 sq.m. F3600. 80 CLICHY, F2200. Tel: 45 00 21 28.

NEAR PANTHEON. Lovely apartment, 2 bedrooms, garden. Also July 1 to Aug. 31 charming 2-room apartment. Tel: 42 31 90 63.

OPEN VIEW OF PARIS, studio in attractive part of capital, no agents. Refrigerator, renovated. F3,250/month net. Tel: 47 76 20 08.

4TH ON PLACE DES VOSGES, 45 sq.m. large living + bedroom, 2 baths, entry, terrace, chams. F6800. Telephone: 42 72 70 81.

17TH: MARMOTTES, 4 rooms, real arts interior, bath, 88 sq.m., beautiful, quiet, fully equipped. July 13 for one year. F8,500 net. 42 63 92 39.

ST. GERMAIN DES PRES, 2-room, sunny, quiet, from July on. No agent. Tel: Nice 93 26 93 07, + evenings 1-3 p.m.

15TH YOUR TOTEM. Exceptional very large, rare studio, all comforts. F4000 net. Tel: 45 31 90 63.

4TH MAIRIE. Very pretty recent flat, large living, bedroom, mezzanine, kitchen, F7000. Tel: 42 25 81 32.

8TH GEORGES V. Very lovely living + bedroom, kitchen, bath, + decorated, sunny. F7,000. 42 25 81 32.

15TH VAUGIRARD, 25 sq.m., studio all comforts, F4,500 per month. Tel. Owner 46 47 39 10.

14TH 3-room apartment, 1st floor, elegant, F5,000/month. July & Aug. only. Tel: 45 43 44.87.

16th, VICTOR HUGO, duplex, character, 50 sq.m., minimum 2 months, starting immediately. Tel: 47 81 41 Paris.

BAILLY (Versailles), 2-room, pool park, F5000/month. Tel: 34 62 61 02.

MADELEINE, LUXURIOUS 2-room, carpets, F4,400 net. 45 33 92 39.

14TH. Double living + 3 rooms, comfort. F8,000. Tel: 45 43 92 39.

14TH 3-room apartment, 1st floor, elegant, F5,000/month. July & Aug. only. Tel: 45 43 44.87.

16th, VICTOR HUGO, duplex, character, 50 sq.m., minimum 2 months, starting immediately. Tel: 47 81 41 Paris.

BAILLY (Versailles), 2-room, pool park, F5000/month. Tel: 34 62 61 02.

MADELEINE, LUXURIOUS 2-room, carpets, F4,400 net. 45 33 92 39.

14TH. Double living + 3 rooms, comfort. F8,000. Tel: 45 43 92 39.

BASTILLE. 75 sq.m., comfort, terrace. F10,000 July/Aug. '86. 43 38 10 90.

15TH HIGH CLASS living, bedroom, kitchen, bath, 2 terraces. F8,000 net. 42 25 81 32.

BEAUBOURG. Studio, all comforts. F3000 net, July, Sept, Dec. 42 77 13 22.

PARIS OFFICE 43 87 53 03. Rents Paris furnished apartments.

ST GERMAIN DES PRES. 100 sq.m. duplex, sunny. Aug. Tel: 43 29 42 94.

ST GERMAIN DES PRES. Exquisite sunny studio for winter. 43 22 29 52.

SUMMER SUBLETS. All areas & range / month / months. No fees. 46 53 68 47

REAL ESTATE TO RENT/SHARE

PARIS AREA FURNISHED

Embassy Serv
8 Ave. de Messine
75008 Paris
YOUR REAL ESTA
AGENT IN PARIS
SHORT-LONG TER
4562-7899

AT HOME IN PARI
FURNISHED APARTMENTS
FIRST 2 MONTHS OF RE
PARIS PROMO
Estate Agent - Property Mana
25 Ave Hoche, 75008 Paris. 42 6

81 AVE FOCH
Luxurious Studios
Phone, color TV, kitchen, dai
linen. No agency fee. F4000/m
Tel: (1) 43 59 66 72

FURNISHED 2-ROOM flat, July
July 29 in St Cloud. Call 46 02
after 8 p.m.

RUE ST. LOUIS. Charming studio, [illegible] F3,000. No agent. Tel: 43 29 [illegible]

TO MINE. LUXEMBOURG, 3-room apartment, fully equipped, [illegible] Aug. Tel: 45 35 91 83 eves.

Neuilly/Parmentier, 3-room, fully equipped. F4,000/month. No agent. July 31. Tel: 42 01 29 [illegible]

VAUGIRARD. Large sunny studio, [illegible] F3,000 net. Tel: 42 28 94 [illegible]

PARIS AREA UNFURNISHED

7th, INVALIDES
Luxury 3-room apartment
F6500. Tel: 45 63 68 [illegible]

HARRIED HOUSE HUNTERS lea
your footwork. Call CSU for
Tel: 47 05 15 40 ext. 198.

Page 4
FOR MORE
CLASSIFIEDS

International Secretarial Positions

SECRETARIAL POSITIONS AVAILABLE

THE INTERNATIONAL HERALD TRIBUNE HEADQUARTERS IN PARIS
is looking for a
BILINGUAL SECRETARY
(English-French)
to work in the advertising department on a part-time basis (6-month fixed term contract).
The ideal applicant, English mother tongue, will have a previous experience in a secretarial job. Knowledge of word-processing will be an advantage.
Please send your application to:
Brigitte Richard
Personnel Manager, IHT
181 Ave Charles de Gaulle
92200 Neuilly sur Seine, France.

TOP LEVEL EXECUTIVE Secretary, English/French/German, for major business company in Paris. Send CV to Colette Saal, 179 Rue de la Pompe, 75116 Paris, France.

SECRETARIAL POSITIONS AVAILABLE

P.A./SECRETARY,
English mother tongue, to the president of an int'l group located near Etoile. This is a new and challenging post, with some travel, asking an experienced person aged 25-40, who is prepared to work very flexible hours. Excellent spoken and written French, accurate typing, English shorthand and knowledge of bookkeeping are indispensible. [illegible] experience on personal level. Please send handwritten letter together with cv. and salary requirement to Box 3790, Herald Tribune, 92521 Neuilly Cedex, France

AMERICAN BILINGUAL SECRETARY
Tel. Paris: 42 60 32 56

SECRETARIAL POSITIONS AVAILABLE

MINERVE SEEKS for AMERICAN firms in PARIS:
English, Belgian, Dutch or German secretaries, knowledge of French required, English shorthand + Bilingual levels. Write or phone 138 Avenue Victor Hugo 75116 Paris, France. Tel: (1) 47 27 61 05.

PARIS ORGANIZATION seeks experienced, bilingual English-French secretary-clerk with word processing, who enjoys working with the public and is able to interpret and translate for small busy office where team work is essential. Salary FF411 per month (+13). Write or phone with cv. to Office Personnel Section, 4 r. Jean Ibry, 75124 Paris Cedex 13, before July 4, 86

CULTURAL CENTER needs young bilingual secretary, preferably English mother tongue, working papers essential. Send c.v. to Ms Hoffman, Beaubourg Center, 261 Bd. Raspail, 75014 Paris.

SECRETARIES AVAILABLE

PARIS DISTINGUISHED LADY. Excellent diversified professional background and bilingual secretarial/secretary, very dedicated to duty. Pleasant, [illegible] sense of humor & common sense. Personality. Seeks position as personal assistant to int'l senior-level executive. Write to Box 3707, Herald Tribune, 92521 Neuilly Cedex, France.

ATTENTION PLEASANT BOSSES: Singaporean female secretary presently based in Switzerland is looking for one. Many years experience, fast minute job with specialist shorthand, typing, good of statistical, telex, audio, telephone, WP, etc. Willing to relocate / travel. Box 3639, Herald Tribune, 92521 Neuilly Cedex, France.

DYNAMIC EXECUTIVE SECRETARY 35, fluent English-French, 8 years experience, at ease in human and commercial contacts. Free to work long hours, seeks exciting and challenging position in int'l organization. Write Box 3698, Herald Tribune, 92521 Neuilly Cedex, France.

PERFECT BILINGUAL English-French secretary, French mother tongue, 20 years in England. Excellent presentation, proofreading, in both languages. Please call Genevieve Adkinson, Paris 4203 5400 / 4734 4739 evening.

RANDSTAD Specialized in Highly Qualified BILINGUAL AGENCY Fully Bilingual Temporary Office
Paris: 47 58 12 40 Personnel

NORWEGIAN-FRENCH LADY seeks position with int'l organization in Geneva. 5 languages, top skills. Call Annouck-A, France 30 36 87 06.

LOOKING FOR TOP BILINGUAL personnel? Call the experts OR INTERIM. Mrs Renard 42 25 59 25 Paris

International Business Message Center

ATTENTION EXECUTIVES
Publish your business message in the International Herald Tribune and more than a million readers worldwide, most of whom are in business and industry, will read it. Just take an (Paris 673595) before 10 a.m., assuming that we can telex your text, and your message will appear within 48 hours. The rate is U.S. $10.60 or local equivalent per line. You must include your full address and verifiable billing address.

BUSINESS OPPORTUNITIES

OFFSHORE & UK LTD COMPANIES
Incorporation and management in UK, Isle of Man, Turks, Anguilla, Channel Islands, Panama, Liberia, Gibraltar and most other offshore areas.
- Confidential service
- Immediate availability
- Nominee services
- Bearer shares
- Bank registration
- Accounting & administration
- Mail, telephone & telex
Free explanatory booklet from:
SELECT CORPORATE SERVICES LTD
Head Office
Mt Pleasant, Douglas, Isle of Man
Tel: Douglas (0624) 629718
Telex: 628834 SELCT G
London Representative
2-5 Old Bond St, London W1
Tel 01-493 4244, Tlx 26247 SCULN G

MONEY TREES?
LIFETIME SECURITY
Interest in use of America's most advanced technological breakthroughs in the nut industry. Over 50,000 nut trees planted. Earnings projected to reach over 32% annually for decades. Brochure/ prospectus limited. Material available in English, French, German. Box 3641, Herald Tribune, 92521 Neuilly Cedex, France

OFFSHORE COMPANIES
- Worldwide incorporations
- Immediate availability
- Full confidential services
- London representative.

Aston Company Formation Ltd.
8 Victoria St, Douglas, Isle of Man.
Tel (0624) 22891, Tlx 627691 SPIVAG

OFFSHORE COMPANIES
Company formations UK, Offshore (with bearer shares), Liberia, Panama, Nevis, USA (all states) Bank accounts, Yacht Mortgages, Crewing, Insurance.
JPCS, 17 Waterside St, London E1 7HP
Tel: 01 377 1474, Tlx: 892911 G

PANAMA CORPORATIONS. Formation and Administration related services provided. MASBIO, S.A. - P.O. Box A-2054, El Dorado, Panama, Rep. of Panama. Tlx: 3067 MASBIO PG. Fax: (507) 63-0205/ Phone (507) 63-0200.

2ND PASSPORT 37 countries. GMC, 26 Kleomenos, 166 75 Athens Greece

BUSINESS OPPORTUNITIES

FINEST INVESTMENT NEWSLETTER. Award-winning Int'l Money Market Letter in its 22nd year. $50 for trial subscription. FISC, P.O. Box 381, CH-1001 Lausanne, Switzerland.

DELAWARE, PANAMA, Liberia. Corporations from US$150. Phone 80240 28937/ 20240. Telex 626352 ISLAND G. Fax UK3.

BUSINESS SERVICES

INT'L
BEAUTIFUL PEOPLE
UNLIMITED INC.
U.S.A. & WORLDWIDE
A complete personal & business service for people of a unique calibre of talented, versatile & multilingual individuals. Ideal for social & promotional occasions.
212-724-7774
212-988-7774
330 W. 58th Street, New York, NY 10019
Service Representatives Needed Worldwide.

BUSINESS SERVICES IN Luxembourg: Company formation worldwide / accounting / management / commercial contracts / personnel / telephone / telex / mail / office space for rent. Finsey, 67, r. Ligne, L-2214 Bd d'Avranches, 1012 Luxembourg. Tel: (352) 492153. Telex 1433.

YOUR OFFICE IN NEW YORK. Fifth Ave. address and/or phones as your USA office. Mail, phone calls received & forwarded. New York Mail Service, 310 Fifth Ave., NYC 10010.

TRANSLATION/INTERPRETER. French-English + rewrite/adapt/type documents, contracts and manuscripts. Tel: Paris 47 78 90 32.

FINANCIAL INVESTMENTS

WHY
SILVER NOW?
US$25,000
IN JOHNSON MATTHEY
Silver will become
US$450,000
IF THE EXPERTS ARE
EVEN ½ RIGHT
- DELIVERED IMMEDIATELY
- BANK VAULTED
CALL OR WRITE
FIRST TRADING GROUP
125 FRANKRIJKLEI
2000 Antwerp Belgium
03/234.32.32

DIAMONDS

DIAMONDS YOUR BEST BUY
Fine diamonds in any price range at lowest wholesale prices direct from Antwerp center of the diamond world. Full guarantee. For free price list write
ANTWERP DIAMOND GUARANTEE
DIAMANTCENTRUM
Pelikaanstraat 19/28
Pelikaanstraat 19/28 Antwerp
Belgium - Tel: (03) 234 07 51
The 77/79 Ave. Louise, the Diamond Club, Heart of Antwerp Diamond Industry

DEADY
Factory sales of loose cut diamonds
Large Harmonie, 23 Antwerp
Belgium. Tel: (03) 232.72.00, Tlx. 35343

OFFICE SERVICES

YOUR OFFICE IN PARIS
is nearby when you need it, away for a couple of hours.
- Fully furnished modern offices, and conference rooms to rent by the hour, day, week.
- Your telephone or personnel base.
- Prestigious Paris address. All services.
BOSS BURO EXPRESS
21 RUE DU FAUBOURG ST HONORE
91, Place St Honore, 75008 Paris
Tel: 42.66.90.75. Tlx: 642066 F.

PARIS
near CHAMPS ELYSEES
FURNISHED
OFFICES
VERY HIGH CLASS
AIR CONDITIONED
CONFERENCE ROOM
SECRETARIAT - TELEX, FAX
LE SATELLITE, 8 rue Copernic
75116 Paris. Tel: (1) 47 27 15 59.

ACTE 50 BUSINESS CENTERS IN EUROPE
- Fully equipped offices to rent.
- Domiciliation, mail, telex, fax.
- Phone, translations.
Paris
Tel (1) 43.80.90.10, Tlx 642187 F
GENEVA
Tel: (22) 469004, Tlx: 421818 CH
FRANKFURT
Tl (69)710 0060 Tlx 1769977363 D

ZURICH-ZURICH-ZURICH
BAHNHOFSTRASSE 52
YOUR OFFICE AWAY FROM HOME
- Office/Management Services
- Company Formations
- How to do Business in/at/ FROM SWITZERLAND
Bahnhof Services Consult Corp.
Bahnhofstrasse 52, CH-8022 Zurich.
Tel: 01/211 92 07, Tlx: 813 062 BSC

YOUR OFFICE IN PARIS: TELEX, ANSWERING SERVICE, secretary, mail, telex, fax. 24hr/day. Tel: 47 42 09 95 Pa.

IMPETUS + ASSOCIATES — 552 76 21. PHONE / TELEX / TELEFAX

Place Your Classified Ad Quickly and Easily in the INTERNATIONAL HERALD TRIBUNE

By Phone: Call your local IHT representative with your text. You will be informed of the cost immediately, and once prepayment is made your ad will appear within 48 hours.
Cost: The basic rate is $10.60 per line per day + local taxes. There are 25 letters, signs and spaces in the first line and 36 in the following lines. Minimum charge is 2 lines. No abbreviations accepted.
Credit Cards: American Express, Diner's Club, Eurocard, MasterCard, Access and Visa.

HEAD OFFICE
Paris (For classified only).
(1) 46.37 93.85.

EUROPE
Amsterdam: 36-36-15.
Athens: 361-8097/363-2421.
Brussels: 343-1999.
Copenhagen: Contact Paris office.
Frankfurt: (069) 72-67-55.
Helsinki: 647-412.
Istanbul: 90-(1) 147 47 34.
Lausanne: 29-58-94.
Lisbon: 67-27-93/46-25-44.
London: 01) 836-4802.
Madrid: 455-2891/455-3306.
Oslo: Contact Paris office.
Rome: 679-3452.
Tel-Aviv: (03)-455 559.
Vienna: Contact Frankfurt.

UNITED STATES
New York: (212) 752 3890.
Toll free (800) 572 7212.
Los Angeles: (818) 584-0888.
San Francisco: (415) 362-8539.

SOUTH AFRICA
Bryanston: 421599.

LATIN AMERICA
Buenos Aires: 41 40 31 Dept.313.
Caracas: 33 25 05/33 36 46.
Guayaquil: 51 45 05.
Lima: 47 63.
Mexico: 533 21 64.
Panama: 69 09 75.
Santiago: 40 505.
Sao Paulo: 852 1893.

MIDDLE EAST
Amman: 63 44 30.
Bahrain: 256032.
Beirut: 341-217/819.
Cairo: 49756.
Dubai: 416535.
Dubai: 224141.
Jeddah: 667-1939.
Kuwait: 23886.

FAR EAST
Bangkok: 390-04-57.
Hong Kong: 5-213671.
Jakarta: 410684.
Manila: 817 07 49.
Taipei: 735 87 73.
Singapore: 222 2705.
Tokyo: 582 44-25-9.
Tokyo: 504-1925.

AUSTRALIA
Melbourne: (03) 602-4067.
Sydney: (02) 29-9-24.
Perth: 328 9233.
Adelaide: 267 3183.

Imprimé par Offset 73 rue de l'Formula 75018 Paris

Fremdsprachensekretärin
Chinesisch/ Englisch/ Deutsch

Ein kleines Team innerhalb der Akquisition unserer Auslandsabteilung in Frankfurt am Main, sucht eine nette M